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SEVENTH BIENNIAL REPORT
OF THE
STATE HIGHWAY
COMMISSION
OF
NORTH CAROLINA



1927-1928

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RALEIGH
BYNUM PRINTING COMPANY
1928

State Highway Commission of North Carolina

FRANK PAGE, <i>Chairman</i>	Raleigh
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L. R. AMES, <i>State Highway Engineer</i>	Raleigh
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Letter of Transmittal

RALEIGH, N. C., January 1, 1929.

HONORABLE A. W. McLEAN, *Governor*.

DEAR SIR: In accordance with the provisions of section twenty-three, chapter two, of the acts of the General Assembly of 1923, I have the honor to submit herewith the seventh biennial report of the North Carolina State Highway Commission.

Respectfully,

FRANK PAGE, *Chairman*.

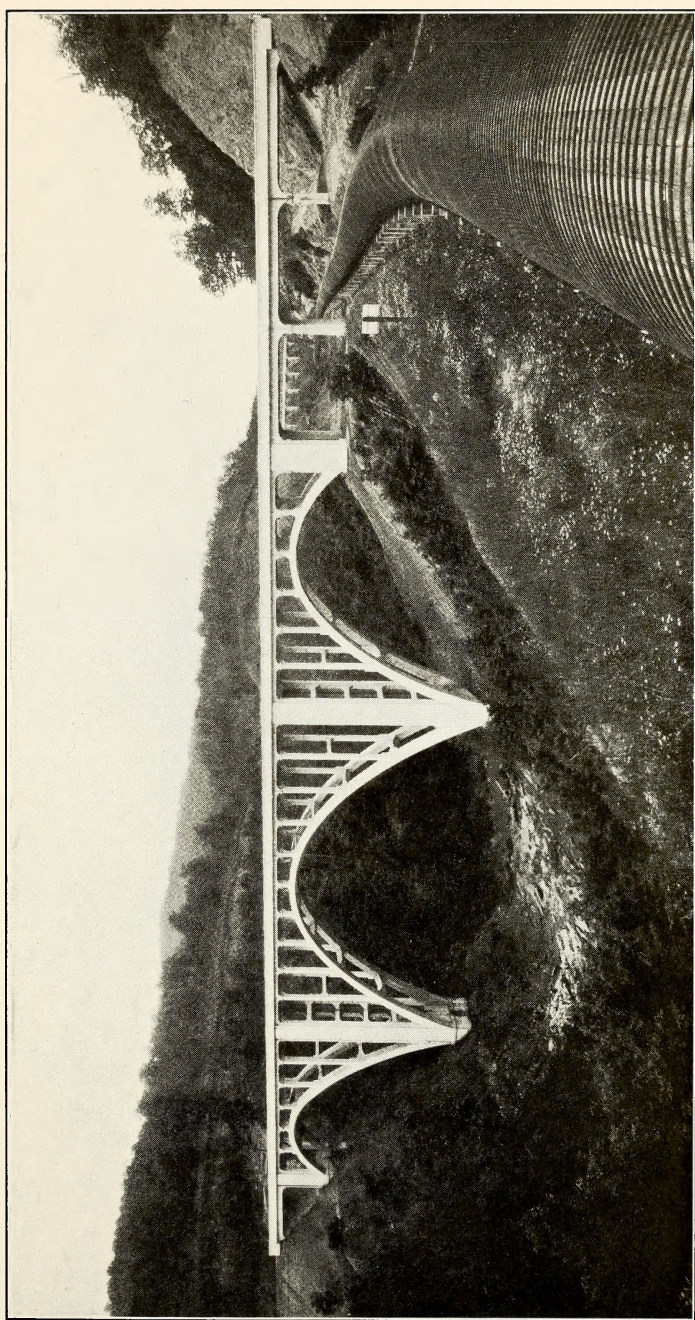
Edited and Compiled

by

H. K. WITHERSPOON,

Assistant to Chairman

North Carolina State Highway Commission.



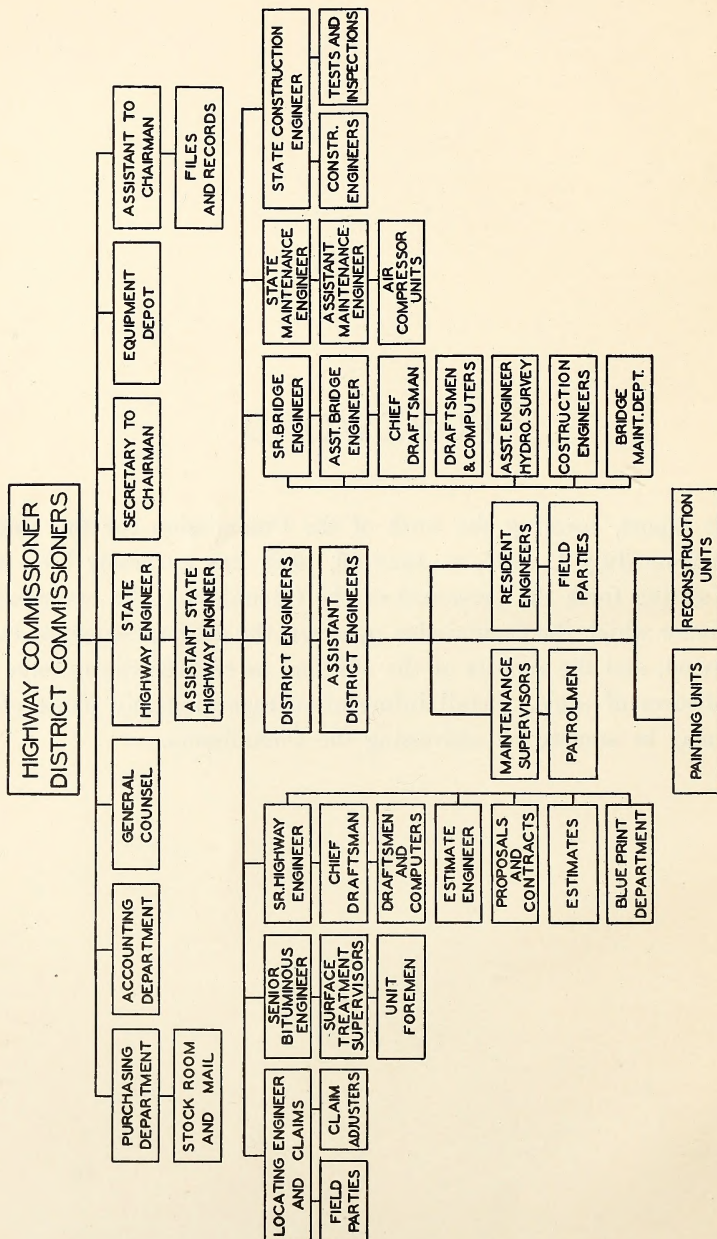
"HIGH BRIDGE" OVER GREEN RIVER—ROUTE 191



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FOREWORD

This report, covering the work of the Commission for the biennial period from July 1, 1926, to June 30, 1928, has purposely been made brief, setting forth the personnel of the Commission, the organization, laws under which the Commission operates, the accomplishments during the period, and the reports of the auditors as regards the revenue and expenditures of same. Detail information regarding any phase of the work may be secured by addressing the Commission.



ROAD LAWS

STATE LAW

(PUBLIC LAWS, SESSION 1921, AS AMENDED)

AN ACT TO PROVIDE FOR THE CONSTRUCTION AND MAINTENANCE OF A STATE SYSTEM OF HARD-SURFACED AND OTHER DEPENDABLE ROADS CONNECTING BY THE MOST PRACTICABLE ROUTES THE VARIOUS COUNTY-SEATS AND OTHER PRINCIPAL TOWNS OF EVERY COUNTY IN THE STATE FOR THE DEVELOPMENT OF AGRICULTURE, COMMERCIAL AND INDUSTRIAL INTERESTS OF THE STATE, AND TO SECURE BENEFITS OF FEDERAL AID THEREFOR, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina do enact:

SECTION 1. That chapter one hundred and eighty-nine of the Public Laws of North Carolina, session one thousand nine hundred and nineteen, be amended so as to hereafter read as follows:

SEC. 2. The general purposes of this act are for the State to lay out, take over, establish and construct, and assume control of approximately 5,500 miles of hard-surfaced and other dependable highways running to all county-seats, and to all principal towns, State parks, and principal State institutions, and linking up with State highways of adjoining states and with National highways into National Forest Reserves by the most practicable routes, with special view of development of agriculture, commercial, and natural resources of the State, and for the further purpose of permitting the State to assume control of the State highways, repair, construct, and reconstruct and maintain said highways at the expense of the entire State, and to relieve the counties and cities and towns of the State of this burden.

SEC. 3. That the purpose and intent of this act is to establish a system of State highways for the State, hard-surfacing said highways as rapidly as possible, and maintaining the entire system of said highways in the most approved manner as outlined in this act. Work on the various links in the State highway system shall be of such a character as will lead to ultimate hard-surfaced construction as rapidly as money, labor, and materials will permit, and to a State system of durable hard-surfaced, all-weather roads, connecting the various county-seats, principal towns, and cities.

SEC. 4. That a State Highway Commission is hereby created, to consist of a chairman from the State at large, who shall be a practical business man, and who shall be known as the State Highway Commissioner; and nine (9) commissioners, one from each construction district as hereinafter designated, three of whom shall be of the minority political party, one for each of the three terms, all to be appointed by the Governor, such appointments to be confirmed by the Senate. The State Highway Commissioner of the existing Highway Commission and all other commissioners whose terms do not expire on April first, one thousand nine hundred and twenty-one, shall hold office during their present unexpired terms. At the expiration of the present term of the chairman, and any commissioner whose term has not expired, his successor shall be appointed by the Governor for a period of six years, such appointment to be confirmed by the Senate. That two of said

commissioners shall be appointed for two years from April first, one thousand nine hundred and twenty-one; three of said commissioners shall be appointed for four years from April first, one thousand nine hundred and twenty-one; three of said commissioners shall be appointed for six years each, such appointments to be confirmed by the Senate: *Provided*, that any commissioner appointed or elected under this act may be removed by the Governor for cause. In case of the death, resignation, or removal from his district of any commissioner during his term of office, his successor shall be appointed by the Governor from the same construction district and from the same political party in which the vacancy occurs to fill out his unexpired term, such appointment to be confirmed by the next Senate. At the expiration of the term of the chairman, and the various commissioners, their successors shall be appointed by the Governor for a term of six years each, such appointments to be confirmed by the Senate. The State Highway Commissioner shall devote his entire time and attention to the work of the commission and receive as compensation and salary therefor fifty-five hundred dollars (\$5,500) per annum, payable monthly, and his actual traveling expenses when engaged in the discharge of his duties: *Provided*, that the State Highway Commissioners may in their discretion increase the compensation and salary of said Commissioner, said salary not to exceed fifteen thousand dollars (\$15,000), in discretion of Highway Commissioners. Said State Highway Commissioner shall be vested with all the authority of said commission when same is not in session. The members of the State Highway Commission, other than the chairman of the commission, shall each receive ten dollars (\$10) per day while engaged in the discharge of the duties of their office, and their actual traveling expenses. The headquarters and main office of the State Highway Commission shall be located at the State Capitol. The members of the said commission, at their first meeting, shall organize and adopt a common seal; they shall keep minutes of their meetings, which shall be open to public inspection; they shall have the power to adopt and enforce rules and regulations for the government of their meetings and proceedings, and for the transaction of the business of the commission; and shall have the power and authority to make all rules and regulations for carrying out the true intent and purposes of this act. They shall meet at the offices of the commission at such regular times, not less than quarterly, as they may by rule provide, and may hold special meetings at any time and place at the call of the chairman, and any five members. The first meeting of the commission shall be at the call of the Governor as soon as practicable after the ratification of this act.

SEC. 5. The said commission, at its first meeting or as soon thereafter as practicable, shall employ a State Highway Engineer, who shall be a competent civil engineer, qualified by technical training as well as practical construction experience in highway work. The engineer shall hold office during the pleasure of the commission, but not to exceed a period of four years without reappointment. He shall receive an annual salary to be fixed by the State Highway Commission, approved by the Governor, payable in monthly installments, together with such actual and other necessary expenses as may be incurred in the official discharge of his duties. Said commission shall prescribe and fix the duties of the engineer, and shall provide the engineer with offices and sufficient equipment to discharge his duties as prescribed by the State Highway Commission and this act. The commission shall employ such other engineers, clerks, and assistants as may be needed, and at such salaries and for such terms as appear necessary, and prescribe and fix their duties. In the discretion of the commission, such offices may be established in the construction districts as may be necessary to carry out the provisions of this act.

SEC. 6. The members of the State Highway Commission and State Highway Engineer shall each, before entering upon the discharge of his duties, take an oath that he will faithfully and honestly execute the duties of the office during his continuance in office, and each give a bond, to be fixed and approved by the Governor, conditioned upon the faithful discharge of the duties of his office and the full and proper accounting for all public funds and property coming into his possession or under his control. The premium on said bond or bonds shall be paid out of the State Highway Fund.

SEC. 7. Fifty-five hundred (5500) miles shall be the approximate maximum limit of mileage of the State highway system. The designation of all roads comprising the State highway system as proposed by the State Highway Commission shall be mapped, and there shall be publicly posted at the courthouse door in every county in the State a map of all the roads in such county in the State system, and the board of county commissioners or county road-governing body of each county, or street-governing body of each city or town in the State shall be notified of the routes that are to be selected and made a part of the State system of highways; and if no objection or protest is made by the board of county commissioners or the county road-governing body of any county, or street-governing body of any city or town in the State within sixty days after the notification before mentioned, then and in that case the said roads or streets, to which no objections are made, shall be and constitute links or parts of the State highway system. If any objections are made by the board of county commissioners or county road-governing body of any county or street-governing body of any city or town, the whole matter shall be heard and determined by the State Highway Commission in session, under such rules and regulations as may be laid down by the State Highway Commission, notice of the time and place of hearing to be given by the State Highway Commission at the courthouse door in the county, and in some newspaper published in the county, at least ten days prior to the hearing, and the decision of the State Highway Commission shall be final. A map showing the proposed roads to constitute the State highway system is hereto attached to this bill and made a part hereof. The roads so shown can be changed, altered, added to or discontinued by the State Highway Commission: *Provided*, no roads shall be changed, altered or discontinued so as to disconnect county-seats, principal towns, State or National parks or forest reserves, principal State institutions, and highway systems of other states. The rights of way to all roads taken over under this act shall be not less than thirty (30) feet: *Provided*, that no toll road shall be taken over under this section unless by agreement or condemnation as herein provided.

See Chapter 46, Public Laws 1927, annexed hereto.

SEC. 8. Within sixty days after the ratification of this act, the State Highway Commission shall commence to assume control of the various links of road constituting the State highway system, and shall complete the assumption of control of all the roads which constitute the State highway system as rapidly as practicable.

See Chapter 200, Public Laws 1927, annexed hereto.

SEC. 9. (a) After the selection of a part or parts of the State highway system, the commission may cause roads, comprising such system, including connecting streets in incorporated towns and cities, to be distinctly marked with some standard design placed on convenient objects along such routes. Such design shall be uniform on all parts of the State highway system, except that the numbers thereon shall correspond with the numbers given the various routes by the commission, which numbers shall coincide with the numbers placed on the official map or maps issued by the commission. No similar design shall be used for marking other routes in North Carolina.

(b) After selection of State highways before mentioned, the commission may cause to be erected such standard guide or warning signs as it may deem necessary along the State highway system. Such signs shall be of uniform design throughout the State, and it shall be unlawful for any person to erect or display any other guide or warning signs upon said highway except in case of emergency, or with the approval of the commission, and, if erected without such approval they may be removed by the commission, and any violator of this section shall be subject to all penalties hereinafter provided.

(c) After taking over section or sections of the State highway system, the commission may erect proper and uniform signs directing persons to roads and places of importance.

(d) Said commission shall have the power to control all signs within the right of way of State highways.

SEC. 10. The said State Highway Commission shall be vested with the following powers:

(a) The general supervision over all matters relating to the construction of the State highways, letting of contracts therefor, and the selection of materials to be used in the construction of State highways under the authority of this act.

(b) To take over and assume exclusive control for the benefit of the State of any existing county or township roads, and to locate and acquire rights of way for any new roads that may be necessary for a State highway system, with full power to widen, relocate, change or alter the grade or location thereof; to change or relocate any existing roads that the State Highway Commission may now own or may acquire; to acquire by gift, purchase, or otherwise, any road or highway, or tract of land or other property whatsoever that may be necessary for a State highway system: *Provided*, that nothing in this act shall be construed to authorize or permit the Highway Commission to allow or pay anything to any county, township, city or town, or to any board of commissioners or governing body thereof, for any existing road or part of any road heretofore constructed by any such county, township, city or town, unless contract has already been entered into with the State Highway Commission.

(c) To provide for such road materials as may be necessary to carry on the work of the State Highway Commission, either by gift, purchase, or condemnation: *Provided*, that when any person, firm or corporation owning a deposit of sand, gravel or other material, necessary for the construction of the system of State highways provided herein, upon first entering into a contract to furnish the State Highway Commission any of such material, at a price to be fixed by said Highway Commission, the State Highway Commission shall have the right to condemn the necessary right of way under the provisions of chapter thirty-three, Consolidated Statutes, entitled Eminent Domain, to connect said deposit with any part of the system of State highways or public carrier.

(d) To enforce by mandamus or other proper legal remedies all legal rights or causes of action of the State Highway Commission with other public bodies, corporations, or persons.

(e) To make rules, regulations and ordinances for the use of, and the police traffic on, the State highways, and to prevent their abuse by individuals, corporations and public corporations, by trucks, tractors, trailers or other heavy or destructive vehicles or machinery, or by any other means whatsoever, and to provide ample means for the enforcement of same, and the violations of any of the rules, regulations or ordinances so prescribed by the State Highway Commission shall constitute a misdemeanor: *Provided*, no rules,

regulations or ordinances shall be made that will conflict with any statute now in force or any ordinance of incorporated cities or towns.

(f) To establish a traffic census to secure information about the relative use, cost, value, importance, and necessity of roads forming a part of the State highway system, which information shall be a part of the public records of the State, and upon which information the State Highway Commission shall, after due deliberation and in accordance with these established facts, proceed to order the construction of the particular highway or highways.

(g) To assume full and exclusive responsibility for the maintenance of all roads other than streets in towns and cities, forming a part of the State highway system from date of acquiring said roads: *Provided*, the commission may enter into contracts with counties as to the maintenance of highways which shall form a part of the State highway system. The State Highway Commission shall have authority to maintain all streets constructed by the State Highway Commission in towns of less than three thousand population by the last census, and such other streets as may be constructed in towns and cities at the expense of the State Highway Commission, whenever in the opinion of the State Highway Commission it is necessary and proper so to do.

(h) To give suitable names to State highways and change the names of any highways that shall become a part of the State system of highways.

(i) To cooperate with municipal or county authorities, civic bodies and individuals in the proper selection, planting and protection of roadside trees, shrubs and vines for the beautification and protection of said highways.

(j) To make proper and reasonable rules, regulations and ordinances for the placing or erection of telephone, telegraph or other poles, sign-boards, fences, gas, water, sewerage, oil, or other pipe lines, and other similar obstructions that may in the opinion of the said Highway Commission contribute to the hazard upon any of the said highways or in any wise interfere with the same, and to make reasonable rules and regulations for the proper control thereof. And whenever the order of the said Highway Commission shall require the removal of or changes in, the location of telephone, telegraph, or other poles, sign-boards, fences, gas, water, sewerage, oil, or other pipe-lines, or other similar obstructions, the owners thereof shall at their own expense move or change the same to conform to the order of the said Highway Commission. Any violation of such rules and regulations or non-compliance with such orders, shall constitute a misdemeanor.

(k) To regulate, abandon and close to use, grade crossings on any road designated as part of the State highway system, and whenever a public highway has been designated as part of the State highway system and the State Highway Commission, in order to avoid a grade crossing or crossings with a railroad or railroads continues or constructs the said road on one side of the railroad or railroads, the commission shall have power to abandon and close to use such grade crossings; and whenever an underpass or overhead bridge is substituted for a grade crossing, the commission shall have power to close to use and abandon such grade crossing and any other crossings adjacent thereto.

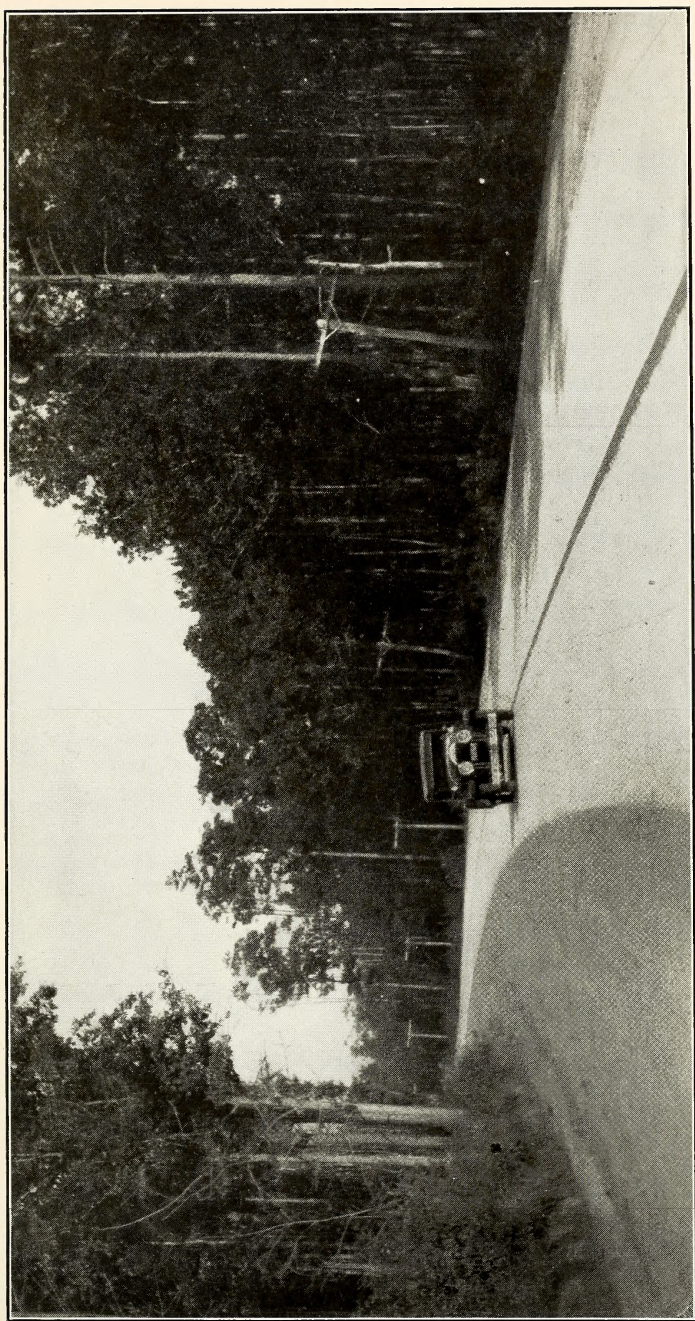
(l) That the said State Highway Commission shall have such powers as are necessary to comply fully with the provisions of the present or future Federal Aid Acts. The said commission is hereby authorized to enter into all contracts and agreements with the United States Government relating to the survey, construction, improvement and maintenance of roads under the provisions of the present or future Congressional enactments, to submit such scheme or program of construction or improvement and maintenance as may be required by the Secretary of Agriculture or otherwise provided by Federal Acts, and to do all other things necessary to carry out fully the cooperation

contemplated and provided for by present or future acts of Congress, for the construction or improvement and maintenance of rural post roads. The good faith and credit of the State are further hereby pledged to make available funds necessary to meet the requirements of the acts of Congress, present or future, appropriating money to construct and improve rural post roads and apportioned to this State during each of the years for which Federal funds are now or may hereafter be apportioned by the said act or acts, to maintain the roads constructed or improved with the aid of funds so appropriated and to make adequate provisions for carrying out such construction and maintenance. The good faith and credit of the State are further pledged to maintain such roads now built with Federal aid and hereafter to be built and to make adequate provisions for carrying out such maintenance.

SEC. 11. It shall be mandatory upon the State Highway Commission, its officers and employees, or any contractor or subcontractor employed by the said commission, to select, lay out, maintain and keep in as good repair as possible suitable detours by the most practical route while said highways or roads are being improved or constructed, and it shall be mandatory upon said Highway Commission, and its employees or contractors, to place or cause to be placed explicit directions to the traveling public during repair of said highway or road under the process of construction. All expense of laying out and maintaining said detours shall be paid out of the State Highway Fund.

SEC. 12. If it shall appear necessary to the State Highway Commission, its officers, or appropriate employees, to close any road or highway coming under its jurisdiction so as to permit of proper completion of work which is being performed, such commission, its officers or employees, may close, or cause to be closed, the whole or any portion of such road or highway deemed necessary to be excluded from public travel. While any such road or highway, or portion thereof, is so closed, or while any such road or highway, or portion thereof, is in process of construction or maintenance, such commission, its officers or appropriate employees, or its contractor, under authority from such commission, may erect or cause to be erected, suitable barriers or obstructions thereon, may post, or cause to be posted, conspicuous notices to the effect that the road or highway, or portion thereof, is closed, warning signs, lights and lanterns on such road or highway, or portions thereof. When such road or highway is closed to the public or in process of construction or maintenance, as provided herein, any person who wilfully breaks down, drives into new construction work, removes, injures or destroys any such barrier or barriers or obstructions on road being constructed, or tears down, removes or destroys any such notices, drives into new construction work, or extinguishes, removes, injures or destroys any such warning lights or lanterns so erected, posted or placed, shall be guilty of a misdemeanor.

SEC. 13. No opening or other interference whatsoever shall be made in any State road or highway other than streets in cities and towns, nor shall any structure be placed thereon, nor shall any structure which has been placed thereon be changed or removed except in accordance with a written permit from the State Highway Commission or its duly authorized officers, who shall exercise complete and permanent control over such roads and highways. No State road or State highway, other than streets in cities and towns, shall be dug up for laying or placing pipes, conduits, sewers, wires, railways, or other objects, and no tree or shrub in or on any State road or State highway shall be planted, trimmed, or removed, and no obstruction placed thereon, without a written permit as hereinbefore provided for, and then only in accordance with the regulations of said Highway Commission or its duly authorized officers or employees; and the work shall be under the supervision and to the



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satisfaction of the State Highway Commission or its officers or employees, and the entire expense of replacing the highway in as good condition as before shall be paid by the persons, firms, or corporations to whom the permit is given, or by whom the work is done; the State Highway Commission, or its duly authorized officers, may, in its discretion, before granting a permit under the provisions of this act, require the applicant to file a satisfactory bond, payable to the State of North Carolina, in such an amount as may be deemed sufficient by the State Highway Commission, or its duly authorized officers, conditioned upon the proper compliance with the requirements of this act by the person, firm, or corporation granted such permit. Any person making any opening in a State road or State highway, or placing any structure thereon, or changing or removing any structure thereon without obtaining a written permit as herein provided, or not in compliance with the terms of such permit, or otherwise violating the provisions of this act, shall be guilty of a misdemeanor: *Provided*, this section shall not apply to railroad crossings. The railroads shall keep up said crossings as now provided by law.

SEC. 14. To encourage counties to build hard-surfaced or other dependable roads constituting a part of the State highway system before same can be constructed by the State Highway Commission, the said commission is hereby authorized and empowered to enter into contracts and agreements with said county or counties for fair reimbursement for said expense: *Provided*, said road or bridge is built in accordance with the specifications and under the direction of the State Highway Commission.

SEC. 15. That all contracts over one thousand dollars that the commission may let for construction, or any other kinds of work necessary to carry out the provisions of this act, shall be let, after public advertising, under rules and regulations to be made and published by the State Highway Commission, to a responsible bidder, the right to reject any and all bids being reserved to the State Highway Commission.

No action shall be brought upon any bond given by any contractor of the Highway Commission, by any laborer, materialman or other person until and after the completion of the work contracted to be done by the said contractor. Any laborer, materialman or other person having a claim against the said contractor and the bond given by such contractor, shall file a statement of the said claim with the contractor and with the surety upon his bond, and, in the event the surety is a corporation, with the general agent of such corporation, within the State of North Carolina, within six (6) months from the completion of the contract, and a failure to file such claim within said time shall be a complete bar against any recovery on the bond of the contractor and the surety thereon. Only one suit or action may be brought upon the said bond and against the said surety, which suit or action shall be brought in one of the counties in which the work and labor was done and performed and not elsewhere. The procedure pointed out in chapter one hundred of the Public Laws of nineteen hundred twenty-three shall be followed. No surety shall be liable for more than the penalty of the bond. Any person entitled to bring an action shall have the right to require the State Highway Commission to furnish information as to when the contract is completed, and it shall be the duty of the Highway Commission to give to any such person proper notice. If the full amount of the liability of the surety on said bond is insufficient to pay the said amount of all claims and demands, then, after paying the full amount due the State Highway Commission, the remainder shall be distributed pro rata among the claimants. Any claim of the State Highway Commission against the said bond and the surety thereon shall be preferred as against any cause of action in favor of any

laborer, materialman or other persons and shall constitute a first lien or claim against the said bond and the surety thereon.

SEC. 16. That when any portion of the State highway system shall run through any city or town and it shall be found necessary to connect the State highway system with improved streets of such city or town as may be designated as part of such system, the State Highway Commission shall build such connecting links, the same to be uniform in dimensions and materials with such State highways: *Provided, however*, that whenever any city or town may desire to widen its streets, which may be traversed by the State highway, the State Highway Commission may make such arrangements with said city or town in connection with the construction of said road, as, in its discretion, may seem wise and just under all the facts and circumstances in connection therewith: *Provided further*, that such city or town shall save the State Highway Commission harmless from any claims for damage arising from the construction of said road through such city or town and including claims for rights of way, change of grade line, and interference with public service structures. And the State Highway Commission may require such city or town to cause to be laid all water, sewer, gas or other pipe lines or conduits, together with all necessary house or lot connections or sewers, to the curb line of such road or street to be constructed: *Provided further*, that whenever by agreement with the road-governing body of any city or town any street designated as a part of the State highway system shall be surfaced by order of the State Highway Commission at the expense, in whole or in part, of a city or town, it shall be lawful for the governing body of such city or town to declare an assessment district as to the street to be improved, without petition by the owners of property abutting thereon, and the costs thereof, exclusive of so much of the cost as incurred at street intersections and the share of railroads or street railways whose tracks are laid in said street, which shall be assessed, under their franchises, shall be specially assessed upon the lots or parcels of land abutting directly on the improvements, according to the extent of their respective frontage thereon by an equal rate per foot of such frontage.

SEC. 17. That all able-bodied male convicts sentenced to the State Prison may be assigned to work upon the State highway system under the direction of the State Highway Commission. That the cost or hire of the able-bodied male convicts to the State Highway Commission shall be agreed upon between the State Highway Commission and the Governor and chairman of the Prison Board, on the basis of paying the actual expenses in working said convicts, including food, clothing, housing, guarding, transportation and incidental expenses by the State Highway Commission to the State Prison Board.

SEC. 18. That the State Highway Commission may make contracts and agreements with the board of county commissioners or road-governing bodies of any county in the State for the purpose of hiring any county convicts to be worked on the State highway system or in the production of materials for use in constructing State highways, and for constructing State highways.

SEC. 19. That whenever any road or street forming a link in or a part of the State highway system, whether under construction or heretofore or hereafter constructed, shall cross or intersect any railroad at the same level or grade, and in the opinion of the chairman of the State Highway Commission such grade crossing is dangerous to the traveling public, or unreasonably interferes with or impedes the traffic on said State highway, the State Highway Commission shall issue notice requiring the person or company operating such railroad to appear before the State Highway Commission, at its office in Raleigh, upon a day named, which shall not be less than ten days or more than twenty days from the date of said notice, and show cause, if any it has,

why such railroad company shall not be required to alter such crossing in such way as to remove such dangerous condition and to make such changes and improvements thereat as will safeguard and secure the safety and convenience of the traveling public thereafter. Such notice shall be served on such railroad company as is now provided by law for the service of summons on domestic corporations, and officers serving such notice shall receive the same fees as now provided by law for the service of such summons.

(b) Upon the day named, the State Highway Commission shall hear said matter and shall determine whether such crossing is dangerous to public safety, or unreasonably interferes with traffic thereon. If it shall determine that said crossing is, or upon the completion of such highway will be, dangerous to public safety and its elimination or safeguarding is necessary for the proper protection of the traffic on said State highway, the State Highway Commission shall thereupon order the construction of an underpass or overpass at said crossing or it may in its discretion order said railroad company to install and maintain gates, alarm signals or other approved safety devices if and when in the opinion of said commission upon the hearing as aforesaid the public safety and convenience will be secured thereby. And said order shall specify that one-half of the cost of the construction of such underpass or overpass or the installation of such safety device shall be borne by the State Highway Commission and one-half thereof by the railroad company operating such railroad, as provided in section (c) hereof, but in no instance shall the State Highway Commission bear any part of the cost of maintenance of any structure or safety device so constructed or installed except in the maintenance of an overhead separation.

(c) Upon the filing and issuance of the order as hereinbefore provided for requiring the construction of an underpass or overpass or the installation and maintenance of gates, alarm signals or other safety devices at any crossing upon the State highway system, it shall be the duty of the railroad company operating the railroad with which said public road or street intersects or crosses to construct such underpass or overpass or to install and maintain such safety device as may be required in said order. The work may be done and material furnished either by the railroad company or the State Highway Commission, as may be agreed upon, and, in case of an underpass, the railroad company shall be responsible for one-half of the expense of all excavations through the existing railroad fill as well as one-half of the complete cost of the structure, including both the foundation and superstructure; and in case of an overpass, the railroad company shall be responsible for one-half of the entire cost of the bridge which will span the opening over the tracks of the railroad from abutment to abutment and including such abutments, and if a grade crossing is not eliminated by an overpass or underpass, the railroad company shall be responsible for one-half of the cost of installing gates, alarm signals or other approved safety devices. If the work is done and material furnished by the railroad company, an itemized statement of the total amount expended therefor shall, at the completion of the work, be furnished the State Highway Commission, and the commission shall pay such amount to the railroad company as may be shown on such statement after deducting the amount for which the railroad company is responsible; and if the work is done by the State Highway Commission, an itemized statement of the total amount expended shall be furnished to the railroad company, and the railroad company shall pay to the State Highway Commission such part thereof as the railroad company may be responsible for as herein provided; such payment by the railroad company shall be under such rules and regulations and by such method as the State Highway Commission may provide.

(d) That within sixty days after the issuance of the order for construction of an underpass or the installation of other safety device as herein provided for, the railroad company against which such order is issued shall submit to the State Highway Commission plans for such construction or installation, and within ten days thereafter said State Highway Commission, through its chairman, shall notify such railroad company of its approval of said plan or of such changes and amendments thereto as to it shall seem advisable. If such plans are not submitted to the State Highway Commission by said railroad company within sixty days as aforesaid, the chairman of the State Highway Commission shall have plans prepared and submit them to the railroad company. The railroad company shall within ten days notify the chairman of its approval of the said plans or shall have the right within such ten days to suggest such changes and amendments in the plans so submitted by the chairman of the State Highway Commission as to it shall seem advisable. The plans so prepared and finally approved by the chairman of the State Highway Commission shall have the same force and effect, and said railroad company shall be charged with like liability, and said underpass or overpass shall be constructed or such safety device installed in accordance therewith as if said plans had been originally prepared and submitted by said railroad company. If said railroad company shall fail or neglect to begin or complete the construction of said underpass or overpass, or the installation of such safety device, as required by the order of the State Highway Commission, said commission is authorized and directed to prepare the necessary plans therefor, which plans shall have the same force and effect, and shall fix said railroad company with like liability, as if said plans had been originally prepared and submitted by said railroad company, and the State Highway Commission shall proceed to construct said underpass or overpass or install such safety device in accordance therewith. An accurate account of the cost of said construction or installation shall be kept by the State Highway Commission and upon the completion of such work a statement of that portion thereof chargeable to such railroad company as set out in the order of the commission shall be rendered said railroad company. Upon the failure or refusal of said company to pay the bill so rendered, the Highway Commission shall recover the amount thereof by suit therefor against said company in the Superior Court of Wake County: *Provided*, that the payment by such railroad company of said proportionate part may be made under such rules and regulations and by such method as the State Highway Commission may provide. If the State Highway Commission shall undertake to do the work, it shall not obstruct or impair the operation of the railroad and shall keep the roadbed and tracks safe for the operation of trains at every stage of the work. That if said railroad company shall construct such underpass or overpass or shall install such safety devices in accordance with the order of the State Highway Commission, one-half of the cost of such construction shall upon the completion of said work be paid to such railroad company by the State Highway Commission. The State Highway Commission may inspect and check the expenditures for such construction or installation so made by the railroad company and an accurate account of the cost thereof shall upon the completion of said work be submitted to the commission by the railroad company. If the Highway Commission shall neglect or refuse to pay that portion of the cost of said construction or installation, chargeable to it, the railroad company shall recover the amount thereof by suit therefor against the Highway Commission in the Superior Court of Wake County.

(e) If any railroad company so ordered by the State Highway Commission to construct an underpass or overpass or to install safety devices at grade

crossings as hereinbefore provided for shall fail or refuse to comply with the order of the State Highway Commission requiring such construction or installation, said railroad company shall be guilty of a misdemeanor and shall be fined not less than fifty nor more than one hundred dollars in the discretion of the court for each day such failure or refusal shall continue, each said day to constitute a separate offense.

(f) The jurisdiction over and control of said grade crossings and safety devices upon the State highway system herein given the State Highway Commission shall be exclusive.

(g) From any order or decision so made by the State Highway Commission the railroad company may appeal to the Superior Court of the county wherein is located the crossing affected by said order. Such appeal shall not defer or delay the construction of such underpass or overpass or the installation of such safety device as required by the order of the commission, but the railroad company shall proceed to comply with such order in accordance with its terms. The action of the railroad company in complying with and carrying out such order pending said appeal shall not prejudice or affect the rights or remedies of such railroad company on such appeal. Upon such appeal the court shall determine only whether the order of the commission for such construction or installation is unreasonable and unnecessary for the protection of the traveling public and the apportionment of the cost to the extent hereinafter provided in this subsection, and if upon the hearing of said appeal it shall be determined that said order was unnecessary for the protection of the traveling public, the State Highway Commission shall bear the total cost of the construction of such underpass or overpass or the installation of such safety device. In event the decision on appeal should be that the construction or installation was necessary but the cost thereof unreasonable, then the railroad company shall bear its proportion (not to exceed fifty per cent) of such cost as may be determined on appeal would have been reasonable to meet the necessity in the instant case. Upon said appeal from an order of the State Highway Commission the burden of proof shall be upon the railroad company, and if it shall not be found and determined upon said appeal that said order was unreasonable or unnecessary for the protection of the traveling public at said crossing, then such railroad company shall bear its proportion of the cost of such construction or installation in accordance with this act.

SEC. 20. In assuming control of the roads constituting the State highway system, the commission shall assume as soon as practicable the maintenance and upkeep of said roads, and shall as soon as practicable organize a proper and sufficient patrol force to keep said roads in good condition. In the event of failure to maintain said roads in good condition, upon complaint of the board of county commissioners, or road-governing body of any county, the State Highway Commission shall at once investigate such complaint, and if the same be well founded, then it shall at once order the repair and maintenance of the road complained of, and investigate the neglect of the person in charge of the road so complained of, and, if upon investigation the person or persons in charge of the road complained of be at fault, he may promptly be discharged from the service of the commission.

SEC. 21. This section invalidated by passage of chapter 207, Public Laws 1925.

SEC. 22. The State Highway Commission is vested with the power to acquire such rights of way and title to such land, gravel, gravel beds, or bars, sand beds or bars, rock, stone, boulders, quarries or quarry beds, lime, or other earth or mineral deposits or formations, and such standing timber as

it may deem necessary and suitable for road construction, maintenance, and repair, and the necessary approaches and ways through, and a sufficient amount of land surrounding and adjacent thereto, as it may determine to enable it to properly prosecute the work, either by purchase, donation, or condemnation, in the manner hereinafter set out: *Provided*, that the right of condemnation provided for in this act shall not apply to gravel beds or bars, sand beds or bars, rock, stone, boulders, quarries, or quarry beds, lime, or other earth, or mineral deposits or formations, in actual bona fide operation for commercial purposes by private enterprise. The State Highway Commission is also vested with the power to acquire such additional land alongside of the rights of way or roads as in its opinion may be necessary and proper for the protection of the roads and roadways, and such additional area as may be necessary as by it determined for approaches to and from such material and other requisite area as may be desired by it for working purposes.

Whenever the State Highway Commission and the owner or owners of the lands, materials, and timber required by the State Highway Commission to carry on the work as herein provided for, are unable to agree as to the price thereof, the State Highway Commission is hereby vested with the power to condemn the lands, materials, and timber, and in so doing the ways, means, methods, and procedure of chapter thirty-three of the Consolidated Statutes of North Carolina, entitled "Eminent Domain," shall be used by it as near as the same is suitable for the purposes of this act. And in all instances the general and special benefits shall be assessed as offsets against the damages: *Provided*, that all actions for damages for rights of way or other causes, shall be commenced within six months from the completion of each particular project. (Note: Provisions here supercede C. S., 3667.)

In case condemnation shall become necessary the State Highway Commission is authorized to enter the lands and take possession of the same, and also take possession of such materials and timber as is required by it prior to bringing the proceeding for condemnation, and prior to the payment of the money for the said property.

In the event the owner or owners shall appeal from the report of the commissioners, it shall not be necessary for the State Highway Commission to deposit the money assessed with the clerk, but it may proceed and use the property to be condemned until the final determination of the action.

SEC. 23. The Highway Commission shall, on or before the tenth day of the convening of each regular session of the General Assembly of North Carolina, make full printed, detailed report to the General Assembly, showing the construction and maintenance work and the cost of the same, receipts of license fees, and disbursements of the commission, and such other data as may be of interest in connection with the work of the Highway Commission. A full account of each road project shall be kept by and under the direction of the Highway Commission or its representatives, to ascertain at any time the expenditures and the liabilities against all projects; also records of contracts and force account work. The account records, together with all supporting documents, shall be open at all times to the inspection of the Governor or road authorities of any county, or their authorized representatives, and copies thereof shall be furnished such officials upon request.

SEC. 24. That the books and accounts of the Highway Commission shall be audited at least once a year by a certified public accountant to be designated by the Auditor of the State, and report of certified accountant shall be made a part of the accompanying report of the State Highway Commission to the General Assembly as herein provided.

SEC. 25. That with the special view of an equitable distribution of the construction funds throughout all portions of the State, the State shall be divided into nine (9) construction districts, the same being designated and indicated on the map hereto attached to this act, and work in each of the construction districts shall be started as simultaneously as practicable and continued so in each district. The commission may change, reform, and relocate the lines of said construction districts.

SEC. 26. The State Highway Commission shall apportion among the various construction districts as nearly as possible an equal amount of the construction fund on the basis of one-third in the ratio of area of each district to the entire area of the State, one-third in the ratio of population of the districts, as determined by the last United States census, to the entire population of the State, and one-third in the ratio of the State highway mileage of the district in proportion to the total mileage of State highways.

SEC. 27. That the revenues derived in each fiscal year under this act shall be set aside and paid out for the purposes following:

First. A sum sufficient to defray the expenses of the State Highway Commission, but not exceeding two hundred and fifty thousand dollars (\$250,000) annually, and a sum sufficient to pay all expenses of collecting the revenues provided hereby, including clerical assistance, the cost of furnishing number plates and mailing same, and the cost of necessary blanks, books and other supplies, such expenses of collecting to be approved by the chairman of the State Highway Commission and not to exceed in any fiscal year four per cent of the total amount of the collections in such year;

Second. A sum sufficient to pay the principal and interest falling due in such fiscal year and on the first day of the ensuing July upon all highway bonds issued and to be issued under this act and under any act or acts passed by the General Assembly at its regular session in one thousand nine hundred and twenty-five or thereafter, including a sum sufficient to make the five hundred thousand dollars (\$500,000) annual sinking fund payments required by chapter one hundred eighty-eight (188), Public Laws one thousand nine hundred and twenty-three, upon the sixty-five million dollars (\$65,000,000) bonds issued and to be issued under this act, such payments to be made in the fiscal year in which falls the beginning of the calendar year in which said chapter one hundred eighty-eight (188) required the same to be made; and five hundred thousand dollars (\$500,000) sinking fund payments for each year to and including the fiscal year one thousand nine hundred and twenty-seven, and one thousand nine hundred and twenty-eight, aggregating two million five hundred thousand dollars (\$2,500,000), having been anticipated and having heretofore been paid;

Third. Any surplus of such revenues in any fiscal year including any unused balances of the maximum amounts hereinabove provided for the expenses of the commission and collection of revenues, after provision has been made for all the items hereinabove set forth in this section, shall be subject to disposition by the Highway Commission in the maintenance of highways in the State highway system, and in the construction and reconstruction of highways in said system and in meeting the requirements of the United States government as to Federal aid in such construction and reconstruction. No part of such revenues shall be used in the maintenance, construction and reconstruction of highways or in meeting Federal aid requirements unless the above requirements for expense, interest, principal and sinking fund have been met or can be met from such revenues. If at any time such revenues should be insufficient for interest, principal and sinking fund payments herein required to be made, and for proper maintenance of the highways in the State

highway system, additional revenues for such purposes shall be provided by the General Assembly. It shall be lawful to reduce in any year the revenues provided hereby, by act of the General Assembly, which may authorize such reduction for a period not longer at one time than the biennium for which appropriations for general expense are permitted, but no such act shall be passed unless (a) the sinking fund commission, or if there be no sinking fund commission, the State Treasurer, shall certify to the General Assembly the amounts required for the principal, interest and sinking fund payments and (b) the State Highway Commission shall certify to the General Assembly the amount required for maintenance of highways and (c) the General Assembly shall determine that the proposed reduction may be made without prejudice to the payment from the remaining revenues of the amounts so certified for principal, interest, sinking fund and maintenance of highways, as well as the maximum amounts herein set aside to defray the expenses of the commission and for expense of collection: *Provided, however*, that no holder of any highway bonds of the State shall be prejudiced by this amendment or by any act amendatory of this section twenty-seven (27) passed subsequent to the issuance of such bonds, and any such bondholder shall be entitled to all the rights to which he would be entitled if no such amendment had been made.

SEC. 28. There shall be paid to the department of the registration of motor vehicles, trailers and semi-trailers, fees according to the following schedule:

RATES FOR AUTOMOBILES

Twenty-five h.p. or less.....	\$12.50 per year
Over 25 h.p. and not more than 30 h.p.....	20 00 per year
More than 30 h.p. and less than 35 h.p.....	30.00 per year
Thirty-five h.p. or more.....	40.00 per year

Motor vehicles used for the transportation of passengers for hire shall pay fifty per cent more than above rates.

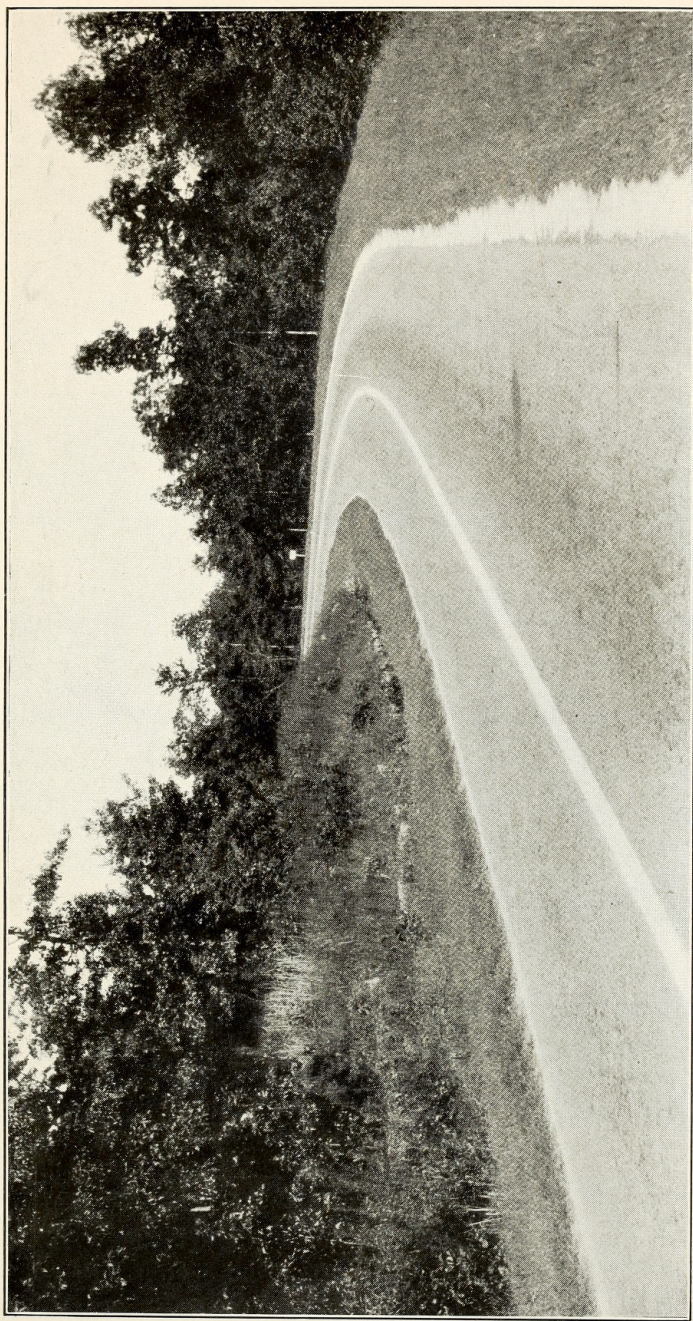
Horsepower shall be computed according to the N.A.C.C. formula of rating for all motor vehicles equipped with internal combustion engines. On motor vehicles operated by steam or electricity the horsepower rating shall be computed according to the rating by the manufacturer of such vehicles.

RATES FOR MOTOR TRUCKS EQUIPPED WITH PNEUMATIC TIRES

<i>Capacity</i>	<i>License fee per year</i>
One-half ton and under one ton.....	\$ 15.00
One ton and under one and one-half tons.....	25.00
One and one-half tons and under two tons.....	35.00
Two tons and under two and one-half tons.....	50.00
Two and one-half tons and under three tons.....	75.00
Three tons and under three and one-half tons.....	100.00
Three and one-half tons and under four tons.....	125.00
Four tons and under five tons.....	200.00

RATES FOR MOTOR TRUCKS FULLY OR PARTIALLY EQUIPPED WITH SOLID TIRES

<i>Capacity</i>	<i>License fee per year</i>
One-half ton and under one ton.....	\$ 20.00
One ton and under one and one-half tons.....	35 00
One and one-half tons and under two tons.....	47.50
Two tons and under two and one-half tons.....	67.50



TROY-WADEVILLE HIGHWAY—ROUTE 74

<i>Capacity</i>	<i>License fee per year</i>
Two and one-half tons and under three tons-----	\$100.00
Three tons and under three and one-half tons-----	135.00
Three and one-half tons and under four tons-----	167.50
Four tons and under five tons-----	267.50

RATES FOR TRAILERS AND SEMI-TRAILERS

For each ton of carrying capacity-----	\$ 15.00
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RATES FOR TRUCK TRACTORS AND ROAD TRACTORS

<i>Capacity</i>	<i>License fee per year</i>
Tractors with pulling capacity of two and one-half tons or less-----	\$ 25.00
Tractors with pulling capacity of more than two and one-half tons----	50.00

Any peace officer having reason to believe that the weight of the load of a truck, trailer or semi-trailer is in excess of its licensed capacity is authorized to weigh the same either by means of portable or stationary scales and may require that such vehicles be driven to the nearest scales in the event such scales are within two miles. Any officer may then require the driver to unload immediately such portion of the load that may be necessary to decrease the gross weight of such load to the proper licensed limit.

RATES FOR BUSES

Twenty-five h.p. or less-----	\$ 18.75
Over 25 h.p. and not more than 30 h.p.-----	30.00
More than 30 h.p. and less than 35 h.p.-----	45.00
Thirty-five h.p. or more-----	60.00

The above fees shall apply to automobile buses having a passenger-carrying capacity of twelve passengers or less.

For each additional passenger-carrying capacity an additional fee of two dollars (\$2.00) per year shall be made.

RATES FOR MOTORCYCLES AND SIDE CARS

For each motorcycle-----	\$ 5.00
For each side car-----	5.00

DEALERS IN MOTOR VEHICLES

Registration fee and first plate-----	\$ 25.00
Each additional plate -----	1.00

No dealers' plates shall be issued until such dealer has paid the license fee required by the Revenue Act of 1927. Fee for licenses issued after July first of each year shall be fifty per cent of the annual fee.

SEC. 29. *Exempt from Registration Fees.* The Department, upon proper proof being filed with it that any motor vehicle for which license is herein required is owned by the State or any department thereof, or by any county, township, city or town or by any board of education, shall collect one dollar for the registration and numbering of such motor vehicles: *Providing* that the term "owned" shall be construed to mean that such motor vehicle is the actual property of the State or some department thereof, or of the county, township, city or town, or of the board of education, and no motor vehicle which is the property of any officer or employee of any department named herein shall be construed as being "owned" by such department.

SEC. 30. Any person, firm or corporation that shall operate any motor vehicle upon any highway of the State, without license, as is required under this act, shall be guilty of a misdemeanor and fined or imprisoned in the discretion of the court. No motor or other vehicle or trailer which has a greater rated weight of both vehicle and load exceeding ten (10) tons shall go over or be operated upon any State highway. Any person, firm, or corporation violating the provisions of this section shall be guilty of a misdemeanor.

SEC. 31. For the purpose of carrying out the provisions of this act the funds collected hereunder shall be kept by the State Treasurer in a separate fund to be known and designated as "State Highway Fund," and all moneys directed to be paid out under this act shall be paid by the State Treasurer upon voucher issued by the State Highway Commission, and charged to the State Highway Fund.

AMENDMENT TO CHAPTER 55, ARTICLE 3(A) OF VOLUME III OF CONSOLIDATED STATUTES, RELATING TO TAX ON GASOLINE

(This amendment repeals and replaces secs. 32-38, inclusive.)

That Article Three (A) of Chapter 55, Volume III, of the Consolidated Statutes, entitled Gasoline Tax, shall be amended so as to hereafter read as follows:

SECTION 1. The following words, terms and phrases in this section of this article for the purposes thereof are defined as follows:

(a) "Motor Vehicles" are all vehicles, movable engines, or machines operated or propelled by internal combustion of motor fuel as herein defined.

(b) "Motor Fuels" are such fuels known as gasoline, benzine, naphtha, liberty fuel, benzol and such other volatile and inflammable liquids produced or compounded for the purpose of operating or propelling motor vehicles, except the product commonly known as kerosene oil.

(c) "Distributor" is any person, firm, association, or corporation that has on hand or in his or its possession, in this State, motor fuels being held for the purpose of sale, distribution or use, within the State, or that produces, refines, manufactures, or compounds such motor fuels in this State for sale, distribution, or use herein.

SEC. 2. The purpose of this act is to provide for the payment and collection of a tax on the first sale of motor fuels when sold, or the use, when used, in this State; double taxation is not intended. Motor fuel manufactured, produced, or compounded in or imported into this State and subsequently sold for exportation, and exported are not taxable and should not be included in the reports hereinafter required to be made by distributors.

SEC. 2½. In the administration of this act the first sale shall not be construed to embrace the sale in tank car shipments from port terminals to licensed distributors within the State, but the tax hereinafter levied on such motor fuel shall be levied against and paid by such licensed distributor.

SEC. 3. Any distributor engaged in business when this act becomes effective shall within thirty days thereafter, and any other distributor, prior to the commencement of doing business, file a duly acknowledged application for a license with the Commissioner of Revenue on a form prescribed and furnished by him, setting forth the name under which such distributor transacts or intends to transact business within this State, the address of each place of business and a designation of the principal place of business. If such distributor is a firm or association, the application shall set forth the name and

address of each person constituting the firm or association and, if a corporation, the names and addresses of the principal officers and such other information as the Commissioner of Revenue may require. Each distributor shall at the same time file a bond in such amount, not exceeding ten thousand dollars (\$10,000) in such form and with such surety or sureties as may be required by the Commissioner of Revenue, conditioned upon the rendition of the reports and the payment of the tax hereinafter provided for. Upon approval of the application and bond, the Commissioner of Revenue shall issue to the distributor a non-assignable license with a duplicate copy for each place of business of said distributor in this State, which shall be displayed in a conspicuous place at each such place of business and shall continue in force until surrendered or canceled. No distributor shall, after thirty days from the effective date of this act, sell, offer for sale, or use any motor fuels within this State until such license has been issued; nor shall any distributor engaging in such business subsequent to the passage of this act commence said business without first procuring a license. Any distributor failing to comply with or violating any of the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than one hundred dollars (\$100), nor more than one thousand dollars (\$1,000), or imprisoned for not more than six months, or both.

SEC. 4. There is hereby levied and imposed a tax of four cents per gallon on all motor fuels sold, distributed or used in this State. The tax hereby imposed and levied shall be collected and paid by the distributor producing, refining, manufacturing or compounding within this State, or holding in possession in this State motor fuels for the purpose of sale, distribution or use within the State, and shall be paid by such distributor to the Commissioner of Revenue in the manner and at the times herein specified. No county, city, or town, or political subdivision shall levy or collect any tax upon the sale, use or distribution of motor fuels as herein defined.

For the purpose of determining the amount of the tax, it shall be the duty of every distributor to transmit to the Commissioner of Revenue, not later than the twentieth day of each month, upon forms prescribed and furnished by him, a report under oath or affirmation showing the quantity of motor fuels sold, distributed or used by such distributor within this State during the preceding calendar month and such other information as the said Commissioner may require: *Provided*, that any distributor may, if he elects to do so, use as the measure of the tax levied and assessed against him by this section, the gross quantity of motor fuel purchased, produced, refined, manufactured and compounded by such distributor, less a tare of one per cent (1%) in lieu of the quantity sold, distributed or used.

SEC. 5. Every distributor, at the time of making the report required by section four of this act, shall pay to the Commissioner of Revenue the amount of tax due for the month covered by such report. The tax so paid shall be transferred promptly by said Commissioner to the State Treasurer as other receipts of his office and the State Treasurer shall place the same to the credit of the "State Highway Fund."

SEC. 6. If any distributor shall wilfully fail, neglect or refuse to make the reports required by section four within the time therein provided, the Commissioner of Revenue shall immediately inform himself as best he may as to all matters and things required to be set forth in such reports, and from such information as he may be able to obtain, determine and fix the amount of the tax due the State from such delinquent distributor for the period covering the delinquency adding to the tax so determined and as a part thereof, an

amount equal to twenty-five per cent (25%) of the tax, to be collected and paid. The said Commissioner shall proceed immediately to collect the tax including the additional twenty-five per cent (25%) and transmit the same in the manner provided in section five for the disposition of other taxes.

SEC. 7. Every distributor shall at the time of sale render bills to all purchasers of motor fuels in all cases where exemption is claimed by the purchasers under the provisions of section nine. The bills shall contain a statement or notation thereon that the liability to the State for the taxes imposed has been assumed by the distributor and that he will pay the taxes thereon to the State on or before the twentieth day of the following month.

SEC. 8. Every distributor of motor fuels shall keep a record of all such fuels purchased, received, sold, delivered or used by him, which shall include the number of gallons so purchased, received, sold, delivered or used, and the dates of such purchases and sales, which records shall be preserved for a period of two years and shall at all times during the business hours of the day be subject to inspection by the Commissioner of Revenue or his deputies, or such other officers as may be duly authorized by said Commissioner.

SEC. 9. Any person, association, firm or corporation, who shall buy, in quantities of ten gallons or more at any one time, any motor fuels as defined in this act for the purpose of, and the same is actually used in any manner except in motor vehicles designed for operation, or intended to be operated in whole or in part upon any of the public highways, streets or alleys of this State, on which motor fuels the tax or taxes imposed by this act shall have been paid, shall be reimbursed and repaid the amount of such tax or taxes paid upon presenting to the Commissioner of Revenue an affidavit, accompanied by a ticket, invoice or other document from the retail dealer or distributor received at time of such purchase, which affidavit shall set forth the total amount of such fuel so purchased and used by such consumer, other than in motor vehicles designed for operation or intended to be operated upon any of the public highways, streets or alleys of this State, and how used; and the Commissioner of Revenue, upon the presentation of such affidavit and such ticket, invoice or other document, and upon being satisfied as to the correctness thereof shall issue to such consumer a warrant upon the State Treasurer for the said taxes paid on fuels sold and delivered and used other than for motor vehicles, as aforesaid: *Provided*, that application for refunds, as provided herein, must be filed with the said Commissioner of Revenue within ninety (90) days from the date sale of invoice, on forms prepared and furnished by said Commissioner of Revenue; and *provided further*, that no claim for rebate shall be assignable.

SEC. 10. That any person, who shall wilfully make any false or fraudulent report as the basis for a claim for rebate under the provisions of section nine, shall be guilty of a misdemeanor and upon conviction, shall be fined or imprisoned in the discretion of the court. That any person who shall knowingly use any motor fuel, or knowingly permit to be used any motor fuel under his control as agent or officer of any firm, or corporation, for the operation of any motor vehicle upon any of the roads of this State, after a claim for rebate upon such motor fuel, under section nine, has been filed, shall be guilty of a misdemeanor, and upon conviction shall be fined or imprisoned in the discretion of the court.

SEC. 11. Any distributor who shall fail, neglect or refuse to make the reports herein required or pay the taxes herein imposed, or who shall refuse to permit the Commissioner of Revenue or any agent appointed by him, to examine the books and records of such distributor pertaining to the motor fuels made taxable by this act or who shall make any false, or fraudulent

report or statement hereunder, or who does, or attempts to do, anything whatsoever to avoid a full disclosure of the quantity of motor fuels sold, distributed or used within this State shall be guilty of a misdemeanor, and on conviction shall be fined not less than one hundred dollars (\$100) and not more than one thousand (\$1,000), or, in the case of an individual or the officer or employee charged with the duty of making such a report for a corporation, to be imprisoned not exceeding six months, or both, and the license of such distributor may be revoked.

SEC. 12. If any person, firm, or corporation shall fail to pay the tax on motor fuel, due by such person, firm, or corporation under the provisions of this act, within thirty (30) days after such tax shall be due, the State Treasurer shall bring the appropriate action in the courts of the State for the recovery of such tax, and if it shall be found as a fact that such failure to pay was wilful on the part of such person, firm, or corporation, judgment shall be rendered against such person, firm, or corporation for double the amount of the tax found to be due, together with cost, and the amount collected shall be placed by the State Treasurer to the "STATE HIGHWAY FUND." All remedies now or which may hereafter be given by the laws of the State of North Carolina for the collection of taxes, are expressly given herein for the collection of the judgment recovered by the State Treasurer under this section.

SEC. 13. That all laws or clauses of laws in conflict with the provisions of this act, to the extent of such conflict, are hereby repealed.

SEC. 14. That this act shall be in force from and after its ratification.

In the General Assembly read three times, and ratified this the 4th day of March, 1927.

SEC. 39. That for the purpose of carrying out the provisions of this act, and of enabling the State to avail itself to the fullest extent of all Federal aid funds that are now or may become available for use in the State for road purposes, the State Treasurer is hereby authorized, empowered, and directed to issue and sell serial bonds of the State payable in not less than ten nor more than forty years from the date of issue, and aggregating not more than fifty million dollars (\$50,000,000), to be known, styled, and designated "State of North Carolina Highway Serial Bonds," said bonds to mature at such time or times, not less than ten years nor more than forty years from the date of said bonds, as may be determined and fixed by the Governor and Council of State. Not more than ten million dollars (\$10,000,000) of said bonds may be issued and sold in the year one thousand nine hundred and twenty-one; and not more than ten million dollars (\$10,000,000) of said bonds may be issued and sold in the year one thousand nine hundred and twenty-two; and the balance may be issued and sold at the rate of ten million dollars (\$10,000,000) per annum: *Provided, however*, that if the progress of the work shall be such as to justify it, then, and in that event, more than ten million dollars (\$10,000,000) of the total amount herein authorized may be issued and sold in any one year at the request of the State Highway Commission, and by and with the consent of the Governor and Council of State. (Note: General Assembly 1923 authorized \$15,000,000 additional bonds, General Assembly 1925 \$20,000,000, and General Assembly 1927 \$30,000,000.)

SEC. 40. That all of said bonds shall bear interest at a rate to be fixed by the Governor and Council of State, but not exceeding five per cent per annum, and are to be dated the first day of January or July, of the year in which the bonds are issued. Interest on said bonds shall be payable semi-annually on the first day of January and July of each and every year so long

as any portion of said bonds shall remain unpaid; and when sold and turned over to the State Treasurer all of said fund to be part of the construction fund and known as the "State Highway Fund."

SEC. 41. That all bonds authorized and issued under this act shall be coupon bonds of the denomination of one hundred dollars (\$100), five hundred dollars (\$500), and one thousand dollars (\$1,000), respectively, or such other denominations as the State Treasurer may determine, and shall be signed by the Governor and the State Treasurer, and sealed with the great seal of the State. The coupons thereon may be signed by the State Treasurer alone, or he may have lithographed, engraved, or printed thereon a facsimile of his signature. The said bonds shall be in all other respects in such form as the State Treasurer may direct. The coupons after maturity shall be receivable in payment of taxes, debts, dues, licenses, fines, and demands due the State of any kind whatsoever, which shall be expressed on the face of the bonds. Before selling the bonds herein authorized to be issued, the State Treasurer shall advertise the sale and invite sealed bids in such manner as in his judgment may seem most effectual to secure the best price. He is authorized to accept bids for the entire amount of such issue to be sold in any one year, or any portion thereof, and when the conditions are equal he shall give the preference of purchase to the citizens of North Carolina; and he is empowered to sell the bonds herein authorized in such manner as in his judgment will produce the best price, but not for less than par and accrued interest, and the full faith, credit, and taxing power of the State are hereby pledged for the payment of the principal and interest of the bonds herein authorized to be issued and sold. All expenses necessarily incurred in the preparation and sale of the bonds shall be paid from the proceeds of such sale.

SEC. 42. That the said bonds shall be subject to registration as to principal alone, or both principal and interest, in accordance with the provisions of the general law governing registration of the State securities as the same may from time to time be in force.

SEC. 43. The said bonds and coupons and notes issued in anticipation of the sale of the bonds, or for the payment of the interest thereon, shall be exempt from all State, county, and municipal taxation or assessments, direct or indirect, general or special, whether imposed for the purposes of general revenue or other interest thereon, or installment or principal, be subject to taxation for incomes, nor shall said bonds and coupons and notes issued in anticipation of sale of the bonds, or for the payment of the interest thereon, or installment or principal, be subject to taxation when constituting a part of the surplus of any bank, trust company or other corporation.

SEC. 44. It shall be lawful for all executors, administrators, guardians, and fiduciaries generally, and all sinking fund commissioners to invest any moneys in their hands in said bonds when such investments are made.

SEC. 45. The State Treasurer, by and with the consent of the Governor and Council of State, is hereby authorized to borrow money at the lowest rate of interest obtainable, in anticipation of the sale of the bonds herein authorized, and for the purposes for which said bonds are authorized to be issued. The State Treasurer is hereby further authorized, by and with the consent of the Governor and Council of State, to borrow money at the lowest rate of interest obtainable, for the purpose of paying the interest on, or any installments of the said bonds, in the event that there are not sufficient funds in the State Treasury with which to pay said interest or installments of principal as they respectively fall due. The State Treasurer shall execute

and issue notes of the State for the money so borrowed, and he is hereby authorized to renew any such notes from time to time by issuing new notes. The rates of interest, the date of payment of said notes or renewals, and all matters and details in connection with the issuance and sale thereof shall be fixed and determined by the Governor and Council of State. Such notes when issued shall be entitled to all the privileges, immunities and exemptions that the bonds authorized to be issued are entitled to. The full faith, credit and taxing power of the State are hereby pledged for the payment of such notes as may be issued, and all interest thereon. The proceeds received from said notes, other than notes that may be issued to pay interest or installments of principal of the bonds, shall be placed by the State Treasurer in the "State Highway Fund" herein provided for. The notes issued in anticipation of the sale of the bonds shall be paid with funds derived from the sale of bonds, unless otherwise provided for by the General Assembly. The notes issued for the payment of interest shall be paid from the funds collected under this act, as herein provided for, when collected, unless otherwise provided for by the General Assembly.

SEC. 46. The State Highway Commission, under rules and regulations established by the commission, shall have full control over the funds in the hands of the State Treasurer known as the "State Highway Fund," and the same shall be paid out by the State Treasurer upon proper voucher of the State Highway Commission for carrying out the purposes of this act.

SEC. 47. That the State Highway Commission, as soon as practicable after the ratification of this act, shall have carefully compiled the road laws of this State relating to the State highway system, and shall have published not exceeding 10,000 copies of said compilation to be distributed by said commission, the cost thereof to be paid out of the State Highway Fund.

SEC. 48. All contracts or agreements heretofore made or entered into by the existing Highway Commission as to location and construction of any roads or highways, or for any other purpose, shall be and remain in full force and effect and taken over by the Highway Commission provided for in this act, and all contractors who have entered into any contract with the existing Highway Commission, whether private or municipal, shall carry out such contracts so made and all rights and remedies existing under such contracts by the present Highway Commission or any contractor shall remain in full force and effect.

SEC. 49. Any member of the Highway Commission, or any person employed by the Highway Commission in connection with carrying on the work outlined in this act, who shall knowingly, or fraudulently, perform any act with intent to injure the State, or any contractor, or his agent or employee, who shall conspire with a member of the Highway Commission or employee thereof or any State official to permit a violation of the contract or contractor with intent to injure the State, or any agent or employee of any contractor who shall do any work on any State highway in violation of contract, and with intent to defraud the State, and the member of the State Highway Commission employee or State official so conspiring shall each be guilty of a felony, and upon conviction thereof, shall be confined in the State Prison not less than one year and not more than five years, and be liable to the State in a civil action instituted by the State on relation of the State Highway Commission, for double the amount the State may have lost by reason thereof.

SEC. 50. The board of county commissioners or other road-governing bodies of the various counties in the State are hereby relieved of all responsibility or liability for the upkeep or maintenance of any of the roads or bridges

thereon constituting the State highway system, after the same shall have been taken over, and the control thereof assumed by the State Highway Commission, and the State Highway Commission both as a commission and the individual members thereof, shall not be liable for any damage sustained by any person, firm, or corporation on the said State highway system, except for wanton and corrupt negligence.

SEC. 51. That if any provision of this act shall be declared by the courts unconstitutional, such declaration shall not affect the validity of any of the remaining provisions of this act.

SEC. 52. All laws and clauses of laws in conflict with the provisions of this act, except chapter 64 of the Public Laws of the Extra Session of the General Assembly of nineteen twenty, are to the extent of such conflict hereby repealed.

SEC. 53. Until the organization of the State Highway Commission provided for in this act the present existing State Highway Commission shall continue in effect and be authorized to act pursuant to chapter 189, Public Laws of nineteen nineteen and all other laws in force at this time relating to the State Highway Commission, and to enter into contracts, which, together with all existing contracts, shall be taken over by the State Highway Commission created by this act, and in all other respects this act shall be in force from and after the date of its ratification.

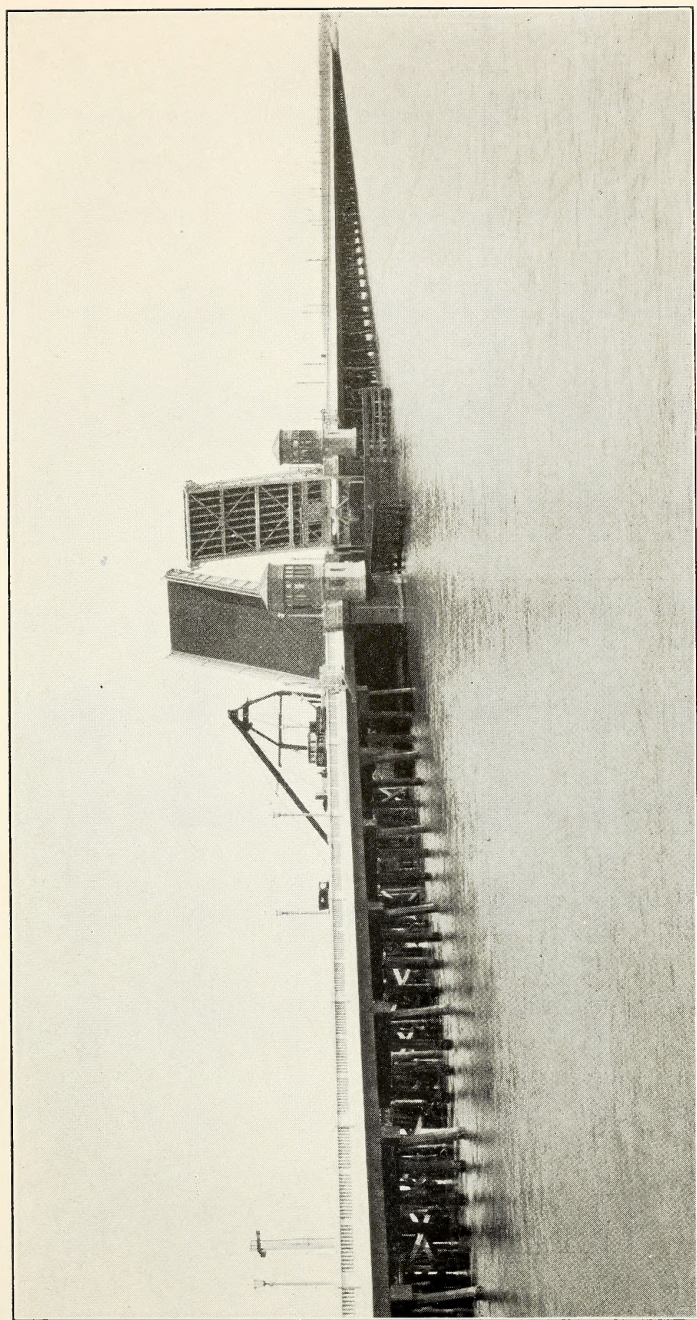
Chapter 2, Laws 1921, as amended through Session 1927.

CHAPTER 46—AN ACT RELATING TO THE AUTHORITY OF THE STATE HIGHWAY COMMISSION AS TO THE LOCATION OF STATE HIGHWAYS.

The General Assembly of North Carolina do enact:

SECTION 1. That subject to the provisions of sections three and four of this act the State Highway Commission shall be authorized, when in its judgment the public good requires it, to change, alter, add to, or abandon and substitute new sections for, any portion of the State highway system, as now or hereafter, taken over, maintained and established: *Provided*, no road shall be changed, altered, or abandoned so as to disconnect county-seats and principal towns.

SEC. 2. That before any road, which is being maintained by the State Highway Commission, can be changed, altered, or abandoned, the commissioner of the district in which said road is located shall notify the road governing authorities of the county or counties in which said change, alteration, or abandonment is proposed, of the extent, nature and character of the proposed change, alteration or abandonment, and a map showing the old location and the new proposed location shall be posted at the courthouse door. If within thirty days after the giving of such notice and the posting of such map the road governing body of such county or the street governing body of any county-seat or principal town immediately affected thereby shall protest the proposed change, alteration or abandonment by filing a written notice of such protest with the State Highway Commission at Raleigh; the State Highway Commission shall thereupon designate three members, of the State Highway Commission, one of whom may be the chairman, the others to be from districts other than that from which the protest is filed, to hear such protest. The place, which shall be within the county, and the time of such hearings shall be fixed by the chairman and notice given to the protesting parties. Such hearings shall be held publicly and all persons desiring to be heard shall be



MOREHEAD CITY-BEAUFORT BRIDGE—BEAUFORT DRAW



heard. At the close of such hearing the committee shall publicly state their decision. The protesting parties may appeal from such decision to the whole Highway Commission and such appeal shall be heard at a regular or duly called meeting for this purpose in the city of Raleigh and notice given to the appellants. The decision of the whole commission shall be determined by roll call vote duly recorded upon the minutes of the commission.

Any county-seat or principal town shall be deemed "immediately affected" if the proposed change or alteration shall enter or leave said town by streets other than those used for such purposes prior to the proposed change.

SEC. 3. The number of State highways entering the corporate limits of a county-seat, principal town, or town in which is located any of the principal State institutions, now served by the State Highway system, shall not be reduced without the consent of the street governing body of said town.

SEC. 4. No portion of the State Highway system which has heretofore, or which shall hereafter be located and constructed in accordance with plans and specifications prepared by and on file with the State Highway Commission, shall be changed or abandoned without the consent of the road governing body of the county in which said road is situated.

SEC. 5. That whenever the State Highway Commission shall have abandoned, or shall hereafter abandon, any section of the State Highway system heretofore maintained by it, the county road governing body in which said abandoned road, or portion thereof, is situate may then incorporate into the county highway system such abandoned road or portion thereof, whenever in its judgment the public good requires such re-incorporation; after the abandonment of such road or portion thereof the State Highway Commission shall be relieved of all responsibility and liability with respect thereto.

SEC. 6. All changes in, alterations of, and/or abandonment of any portion of the State Highway system heretofore made by the State Highway Commission which are not now the subject of litigation, are hereby ratified, approved and confirmed and the newly established routes are hereby made a part of the State Highway system as fully and to the same extent as if they had appeared upon the map and surveys made and posted by the State Highway Commission as in chapter two of the Public Laws of one thousand nine hundred and twenty-one, were required, and no action shall hereafter be maintained in any court of this State against the State Highway Commission on account of such change, alteration and/or abandonment.

SEC. 7. That no action shall be maintained in any of the courts of this State against the State Highway Commission to determine the location of any State highways or portion thereof, by any person, corporation, or municipal corporation, other than the road governing body of the county in which said road is situate, or the county-seat or principal town affected, as in this act defined, by any change, alteration or abandonment.

SEC. 8. That nothing herein contained shall be construed to change the method of apportionment of road funds as now provided in section twenty-six of chapter two of Public Laws of one thousand nine hundred and twenty-one.

SEC. 9. This act shall not affect pending litigation or judgments heretofore rendered in causes by courts of competent jurisdiction.

SEC. 10. That all laws or clauses of laws in conflict with the provisions of this act, to the extent of such conflict, are hereby repealed.

SEC. 11. That this act shall be in force from and after its ratification.

Ratified this the 25th day of February, A. D. 1927.

CHAPTER 200—AN ACT TO REQUIRE THE STATE HIGHWAY COMMISSION TO
TAKE OVER ADDITIONAL MILEAGE FOR STATE MAINTENANCE IN THE SEVERAL
COUNTIES OF THE STATE OF NORTH CAROLINA.

The General Assembly of North Carolina do enact:

SECTION 1. That the State Highway Commission is hereby authorized and empowered, and it shall be their duty to take over for State maintenance, additional roads heretofore maintained by the several counties, amount of additional roads so taken over for State maintenance shall not exceed twenty per cent of the present mileage as is now designated and maintained as State Highways.

SEC. 2. The laying out, and designation of new roads placed on the State highway system as State maintained road, shall be left entirely in the discretion of the said Highway Commission in the respective districts, dividing the mileage of new roads taken on in counties which have heretofore not received as much State Highway mileage as to make said county or counties share equally as nearly as practicable with other counties of the State, or in the discretion of the State Highway Commission in said District to place said additional roads on State maintenance that will best serve that section of the State.

SEC. 3. That the State Highway Commission shall work in coöperation with the road governing body of the counties in their respective and several districts in the laying out of these roads, always looking after the interest of both county and State in so doing.

SEC. 4. That all laws in conflict herewith are to the extent of such conflict hereby repealed.

SEC. 5. That this act shall be in full force and effect from and after its ratification.

Ratified this the 9th day of March, A. D. 1927.

FIRST DISTRICT

Twenty counties situated in the northeastern part of the State compose the First District, as follows: Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Edgecombe, Gates, Halifax, Hertford, Hyde, Martin, Nash, Northampton, Pasquotank, Perquimans, Pitt, Tyrrell, Washington and Wilson. District Engineer, J. C. Gardner; Associate District Engineer, L. B. McDaniel; district headquarters at Tarboro, in Edgecombe County.

CONSTRUCTION

During the period between June 30, 1926, and June 30, 1928, projects covering approximately 146.4 miles of graded or soil road with structures have been completed in the First District (72.76 miles of which were already under construction or contract at the beginning of the period); hard surface projects with a total length of 185.82 miles (116.34 under construction or contract prior to July 1, 1926); and clay-gravel surfacing on 51.53 miles. In the case of two of the hard-surface projects, rough grading and structures were included in the same contract; the rest of the pavement was placed on roads already constructed under prior contracts, or by State forces.

In addition, four bridge projects have been completed during this period, but one of them, the bridge over Roanoke River near Scotland Neck, was constructed practically entirely during the former period, the date of its completion being July 16, 1926. The bridge over the Chowan River on route No. 342, between Edenton and Windsor, was started in February, 1926, but not completed till the fall of 1927. This bridge is approximately 1.5 miles long, has a draw-span, and is operated as a toll-bridge to cover cost of construction, in accordance with a special act of Legislature.

Under construction, or contract for construction, as of June 30, 1928, are four hard-surface projects with an aggregate mileage of 42.95, two projects with a combined length of 22.1 miles for grading and topsoil with small structures, and 46.91 miles of clay-gravel surfacing.

Two large bridges are under construction, the bridge over the Tar River at Greenville and the drawbridge over the same river lower down at Washington. The drawbridge over the Perquimans River at Hertford was included in the letting of June, 1928, and contract awarded, but not signed till after July 1st.

MAINTENANCE

Mileage under maintenance in this district as of June 30, 1928, is 1111.6, 192.6 miles having been added since the last biennial report. This mileage is composed as follows: 617 miles of hard surface of various types, but over three-fourths of it concrete; 143.9 miles of oil-treated road; 1.3 miles of gravel; 252.6 miles of topsoil-sand-clay, and 96.8 miles of dirt. The total mileage is divided into four territories, each under a supervisor. There are in all 48 patrol forces, with one extra gang and four sign gangs.

There are ten drawbridges in the district where watchmen are kept, the bridge over the Chowan River at Edenhouse on route No. 342 having been added since the last report. As this is a toll-bridge, three men are required there as bridge-tenders and toll-takers, giving a 24-hour service.

Fifteen thousand lineal feet of wire guard-rail have been erected during the period.

Considerable betterment work has been done, but maintenance generally has been of a routine nature.

SECOND DISTRICT

The Second District is composed of the following counties: Carteret, Craven, Duplin, Greene, Johnston, Jones, Lenoir, Sampson, Wayne, with headquarters at Kinston. This district is under the charge of R. E. Snowden, District Engineer.

CONSTRUCTION

During the period from July 1, 1926, to July 1, 1928, the following mileage of various types of roads, including structures, has been completed in the Second District:

<i>Type</i>	<i>Mileage</i>
Concrete -----	132.7
Asphalt Concrete -----	0.5
Sand Asphalt -----	16.6
Gravel -----	4.65
Graded -----	110.65
Grand totals -----	265.1

In addition, there has been completed a bridge connecting Morehead and Beaufort, which consists of a R. C. deck girder bridge on concrete piles across Newport River, including a double leaf Bascule draw-span, 2,662 feet long, and a R. C. deck girder bridge on concrete piles across Beaufort Channel, including a double leaf Bascule draw-span, 450 feet long, which bridges are connected by a causeway (fill) 5,092 feet long. The fill is paved with "Sand Asphalt."

There is now under construction the following mileage, which includes structures:

<i>Type</i>	<i>Mileage</i>
Concrete -----	30.5
TSC-G -----	13.0
Graded -----	27.6
Grand totals -----	71.1

Also there is under construction a R. C. bridge across Trent River at Pollocksville 237 feet long, including a 125-foot swing span.

MAINTENANCE

There is now under maintenance in the Second District 649.1 miles of roads of the following types:

<i>Type</i>	<i>Mileage</i>
Asphaltic -----	274.9
Brick -----	26.3
Concrete -----	195.9
Dirt -----	116.7
Oil Treated -----	29.8
Rawhide -----	5.5
Grand total -----	649.1

This mileage is divided into twenty-nine sections, with a patrolman in charge of each section. There are three floating gangs in the district.

THIRD DISTRICT

This district is composed of the following counties: Bladen, Brunswick, Columbus, Cumberland, New Hanover, Onslow, Pender, and Robeson, and is in charge of W. F. Morson, District Engineer, with headquarters at Wilmington.

CONSTRUCTION

During the period covered by this report the following construction work has been completed:

<i>Type</i>	<i>Mileage</i>
Cement Concrete -----	59.06
Asphaltic Concrete -----	18.04
Sand Asphalt -----	47.95
Sheet Asphalt -----	1.82
Gravel -----	14.60
Sand Clay -----	48.77
Graded -----	65.67
Total -----	255.91

On June 30, 1928, there was under construction the following:

Sand Asphalt -----	43.30
Graded -----	15.15
Total -----	58.45

On account of the magnitude of the work, one project in this district deserves special mention. This is project 355, which consists of bridge, or bridges, across the Cape Fear River at Wilmington on route 20, including approach fills. This project was let to contract without approach fills April 26, 1928, while the approach fills will be let as soon as possible thereafter. Being the largest bridge project yet undertaken by the State Highway Commission, and financed by a special State bond issue of \$1,250,000, and also serving as the only outlet from Wilmington west and south, this project deserves special mention.

The bridges cross the Northeast Cape Fear and main Cape Fear rivers, and is located just above the Ocean Terminals to avoid continuous opening of draw spans. The type of construction is steel viaducts on concrete substructure, two bascules of 185 double leaf draw spans, one over the channel of each river.

Good progress has been made on construction up to June 30, 1928, and it is expected that the entire project will be completed in the fall or winter of 1929.

A special State act, passed for the construction of the bridge, specifies that it is to be a toll bridge until bonds are retired, at which time it is to be made free of toll. Also provisions are made for maintenance to be paid by regular State Highway funds. Total length of project, including fill, or causeway, is 1.885 miles.

MAINTENANCE

At the time this report closes, June 30, 1928, the total mileage of State highways maintained in this district is 706, which is classified as follows: 222

miles asphalt ; 152 miles concrete ; 24 miles surface treated Macadam ; 55 miles asphalt oil-treated ; 31 miles gravel ; 128 miles topsoil or sand clay, and 94 miles dirt.

The district organization has three supervisors and thirty-six patrol forces, and patrol sections average about 20 miles in length. All maintenance work is of routine nature, such as dragging, machining, ditching, renewing surface and shrubbing on soil roads, while on paved roads maintenance consists of patching on bituminous, filling cracks on concrete, rebuilding and sodding shoulders, cleaning ditches and mowing grass on shoulders.

Considerable saving in maintenance of shoulders has been effected by securing growth of native grass, both by sodding and planting. All roads have been open and maintained during the period covered by this report.

FOURTH DISTRICT

The Fourth District is composed of the following counties: Chatham, Durham, Franklin, Granville, Harnett, Lee, Orange, Person, Vance, Wake, and Warren. The district is in charge of W. D. Somervell, District Engineer, with headquarters at Durham.

CONSTRUCTION

Completed construction work during the period covered by this report is as follows:

<i>Type</i>	<i>Mileage</i>
Concrete -----	146.06
Asphaltic Concrete -----	6.47
Topsoil -----	36.70
Graded -----	63.32

Uncompleted work on June 30, 1928, was as follows:

<i>Type</i>	<i>Mileage</i>
Concrete -----	12.46
Topsoil -----	19.91
Graded -----	17.78

MAINTENANCE

At this time there are 770.3 miles of roadway under maintenance in this district. It is divided as follows:

<i>Type</i>	<i>Mileage</i>
Concrete -----	282.4
Asphaltic Concrete -----	93.1
Penetration Macadam -----	8.4
Oiled Road -----	183.6
Gravel -----	10.0
Topsoil -----	147.3
Dirt -----	35.5
 Total -----	 770.3

In addition to routine maintenance the following work was accomplished by the district maintenance forces: 50 miles of roadway were resoled; 100,000 linear feet of guard rail were placed; 2,500 linear feet of wooden bridges were repaired and replaced; all wooden signs were replaced by standard metal signs.

FIFTH DISTRICT

The following counties compose this district, which is in charge of J. W. Mills, District Engineer, with headquarters at High Point: Alamance, Caswell, Davidson, Guilford, Hoke, Montgomery, Moore, Randolph, and Rockingham.

CONSTRUCTION

During the period covered by this report the following construction work has been completed:

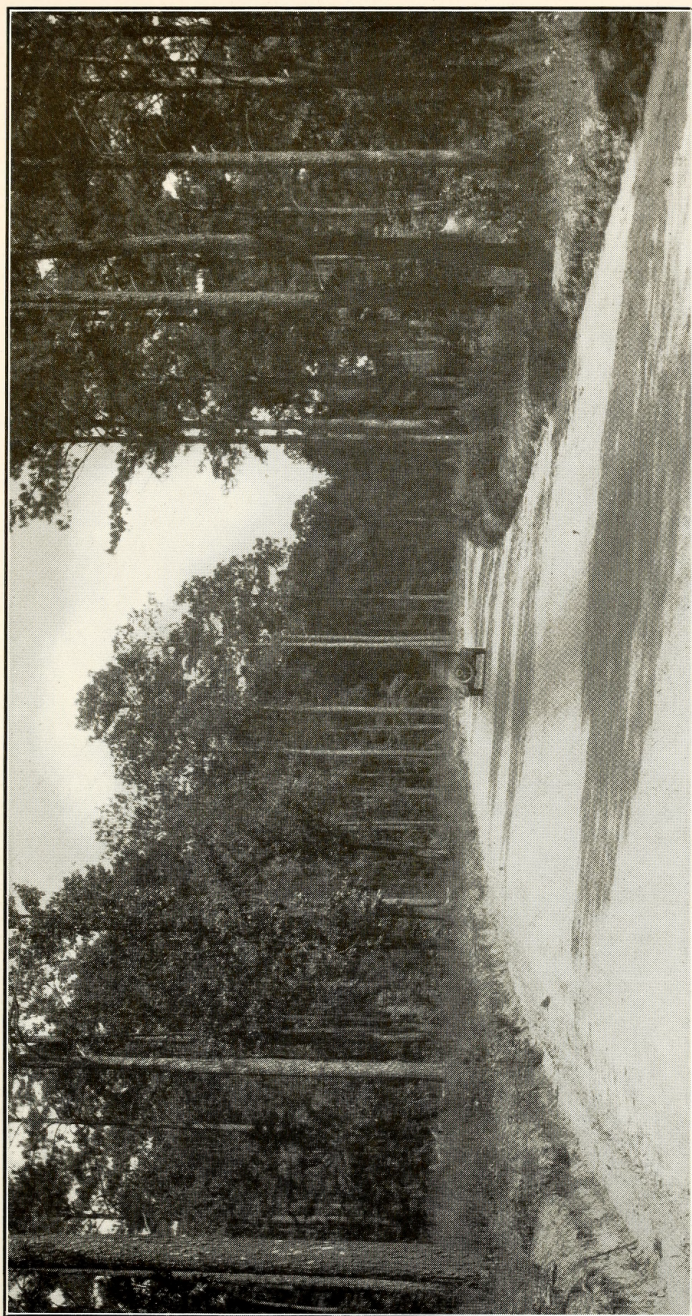
<i>Type</i>	<i>Mileage</i>
Concrete -----	54.27
Asphaltic Concrete -----	23.89
Sand Asphalt -----	13.74
Topsoil -----	41.09
Sand-clay -----	7.58
Total -----	140.57

The following work was under construction but not completed on June 30, 1928:

<i>Type</i>	<i>Mileage</i>
Concrete -----	16.25
Sand Asphalt -----	9.10
Topsoil -----	10.89
Gravel -----	11.66
Graded -----	3.86
Total -----	51.76

MAINTENANCE

There are 814 miles of State roads in the Fifth District. Of this mileage there has been taken over from the counties for maintenance since July 1, 1926, a total of 136.5 miles of roads. Practically all maintenance work during the past two years has been routine. The maintenance organization consists of 40 patrolmen, 3 maintenance supervisors and 4 extra floating gangs, and an approximate average of 5 men in the sign department. The average length of patrol sections in this district is 20.37. Four extra floating forces work throughout the entire district in conjunction with patrolmen, handling any extra roadway or bridge work. A number of bridges have been rebuilt during the past two years with extra floating forces. During the past two years there has been approximately 113.58 miles of topsoil roads which have been oil treated, making a total of approximately 209.46 miles of oil-treated roads in this district. The earth shoulders on approximately 75 miles on hard-surfaced roads have been grassed during the past two years.



PINEHURST-WEST END HIGHWAY—ROUTE 70

SIXTH DISTRICT

The following counties compose the Sixth District: Alexander, Anson, Cabarrus, Catawba, Gaston, Iredell, Lincoln, Mecklenburg, Richmond, Rowan, Scotland, Stanly and Union. The district is in charge of J. B. Pridgen, District Engineer, with headquarters in Charlotte.

CONSTRUCTION

Of the work under contract on July 1, 1926, and the contracts let during the period between July 1, 1926, and June 30, 1928, the following road mileage was completed:

87 miles of Concrete—18 feet wide.

81 miles Asphalt—18 feet wide.

8 miles of Top Soil.

A contract was also let and the work completed during the above period for a bridge across Pee Dee River, between Albemarle and Troy, Project 683, which bridge replaced Federal Aid Project 116. This construction was paid for by the Carolina Power and Light Company at an approximate cost of \$311,000, as the bridge was made necessary on account of the fact that the power company flooded old Federal Aid Project 116 in the construction of their dam on the Pee Dee River.

On July 1, 1928, contracts had been let on the following work which was not completed:

57 miles of Top Soil.

16 miles of widening the grading and structures on the Charlotte-Gastonia road preparatory to hard surfacing.

26 miles Grading.

27 miles Concrete.

MAINTENANCE

This district is maintaining at this time 842 miles of State roads, exclusive of mileage inside of cities and towns, which mileage is divided according to types, as follows:

<i>Type</i>	<i>Mileage</i>
Asphalt -----	312.2
Concrete -----	183.8
Top Soil—Sand-clay -----	250.6
Penetration Macadam -----	52.2
Oil Treated -----	43.5
Total mileage -----	842

All roads in this district are in good condition at all times and seasons of the year, including all detail work pertaining to the proper maintenance of roads and bridges.

SEVENTH DISTRICT

The Seventh District is composed of the following counties: Alleghany, Ashe, Caldwell, Davie, Forsyth, Surry, Watauga, Wilkes, and Yadkin. This district is in charge of C. S. Currier, District Engineer, with headquarters at Winston-Salem.

CONSTRUCTION

During this period there had been completed, in the Seventh District, projects totaling 104.5 miles of graded highway, including the needed structures, 27.8 miles of gravel surfacing 8.5 miles of Macadam surfacing, 26.1 miles of top-soil surfacing and 31.5 miles of concrete surfacing.

One structure of prominence which was completed during this period is the bridge over the Catawba River on route No. 17, between Lenoir and Hickory. This bridge is reinforced concrete and is composed of 18 50-foot deck girder spans about 45 feet above the bed of the stream.

By legislative enactment North Carolina participated with Virginia in building a 600-foot concrete and steel bridge over New River, route No. 26, between Sparta, N. C., and Independence, Va. This bridge was built using Virginia standards and under the direction of the Virginia Highway Commission, the North Carolina State Highway Commission furnishing inspection.

A large mileage of gravel and top-soil roads have been treated with oil and sand and later retreated with oil and stone. This work is done by the Road Oil Department, with headquarters at Raleigh.

At the end of this period there are eleven construction projects under way, some of them nearly completed. These projects consist of one reinforced concrete bridge over the Yadkin River on route No. 90, between Mocksville and Lexington. This bridge is 1,028 feet long and is nearly completed. There are three grading projects, two grading and gravel-surface projects, two grading and top-soil projects, and two concrete roadway projects now under way.

One overhead bridge crossing the N. & W. R. R. Company's yards at Winston-Salem on route No. 77 is being constructed jointly by the railroad company and the Commission. This structure crosses four tracks.

MAINTENANCE

The chief aim of this department has been to provide at all seasons of the year safe, smooth, neat appearing and well marked highways. In order to carry out this aim a patrol crew is assigned a section of road, provided with the necessary equipment and materials to make small repairs to the road surface and bridges, cut the right-of-way and do general cleaning up work along his section. A sign crew erects all route-markers, distance and direction signs and paints center-line markers on pavements. During the past two years metal signs have been erected, replacing all wooden signs and markers.

Approximately 61.0 miles of county roads were added to the district mileage during the past year. These roads were, as a rule, in bad condition when taken over, but were brought up to the State's standard of maintenance in a few months.

The mileage and types of roads under maintenance at this date are as follows:

<i>Type</i>	<i>Mileage</i>
Concrete -----	197.9
Top Soil -----	204.9
Dirt -----	42.9
Macadam -----	67.2
Gravel -----	151.9
Oil Treated -----	102.3
Asphalt -----	12.8
Penetration -----	20.5
Total mileage -----	799.9

EIGHTH DISTRICT

This district is composed of the following counties: Avery, Burke, Cleveland, Henderson, McDowell, Mitchell, Polk, Rutherford, and Yancey, and is in charge of H. E. Noell, District Engineer, with headquarters at Marion.

CONSTRUCTION

During the period covered by this report the following construction work has been completed:

<i>Type</i>	<i>Mileage</i>
Concrete -----	96.79
Topsoil -----	19.14
Graded -----	79.69
Total -----	195.62

Two reinforced concrete bridges were also completed.

On June 30, 1928, there was incomplete work under way as follows:

<i>Type</i>	<i>Mileage</i>
Concrete -----	8.49
Topsoil -----	7.84
Graded -----	17.49
Gravel Surfacing -----	22.00

MAINTENANCE

The mileage under maintenance in the Eighth District has been increased from 580 miles on July 1, 1926, to 637.8 miles on June 30, 1928. The different types of paving or surfacing are as follows:

<i>Type</i>	<i>Mileage</i>
Concrete -----	176.89
Asphalt -----	21.05
Penetration Macadam -----	20.90
Surface Treated Macadam -----	23.04
Oil Treated -----	139.18
Surface Treated Gravel -----	12.62
Gravel -----	37.36
Topsoil -----	56.76
Dirt -----	150.06

The patrol sections have been reduced to 26, giving an average length of section of 24.53 miles. This reduction was made possible by the increased mileage of improved road surface, and the sodding of the shoulders with grass. In addition to the regular patrol gangs, two light floating gangs and one heavy gang, consisting of a gasoline shovel and two trucks, have been organized to work throughout the district, when and where needed.

NINTH DISTRICT

The Ninth District is composed of the following counties: Buncombe, Cherokee, Clay, Graham, Haywood, Jackson, Macon, Madison, Swain, Transylvania. This district is in charge of J. C. Walker, District Engineer.

CONSTRUCTION

Construction work gotten under way and completed during this two-year period is as follows:

Grading and structures were built on twelve projects, totaling 90.9 miles.

Nine projects were paved with concrete, totaling 62.3 miles.

Five projects were paved with macadam, totaling 52.5 miles.

Grading, structures and shale-surfacing was completed on two projects, totaling 11.6 miles.

One project was surfaced with stone-dust for four miles.

Project 9000, Buncombe County, reinforced concrete deck-girder viaduct, 1,300 feet in length with 40-foot roadway and two 5-foot sidewalks was started in June, 1927. This viaduct, on route No. 69, extends from Biltmore to the city of Asheville, spanning the Southern Railway tracks, Swannanoa River and the Southern Railway freight depot. The entire construction cost of this viaduct is being paid by the city of Asheville and the county of Buncombe, the State Highway Commission furnishing designing, supervision, and inspection.

MAINTENANCE

Maintenance report for the two-year period is as follows:

The number of miles under maintenance in the Ninth District has been increased from 602.4 miles as of July 1, 1926, to 723.1 miles at the end of the two-year period. The average number of patrolmen has been increased from 36 patrolmen, with an average patrol of 16.73 miles, to 38 patrolmen, with an average patrol of 19.3 miles.

During this two-year period a great deal of attention has been paid to getting a good stand of grass on the shoulders of the hard-surfaced roads as they are completed, and at the present time practically all of the hard-surfaced roads in the Ninth District have an excellent stand of grass, which prevents considerable wash.

Additional drainage has been added on top-soil and dirt roads, until they are all well drained, with the exception of the new mileage added July 1, 1928, and additional pipe has been ordered for these roads.

BIENNIAL REPORT OF STATE MAINTAINED ROADS IN NORTH CAROLINA

On July 1, 1928, there were 7,087 miles of roads under State maintenance of the different types as follows:

<i>Type</i>	<i>Miles</i>
Concrete -----	2,041.25
Asphalt -----	1,186.15
Brick -----	44.60
Pen. Macadam -----	124.00
Surface Treated Macadam and Gravel -----	257.00
Oil Treated -----	925.50

<i>Type</i>	<i>Miles</i>
Gravel -----	238.80
Topsoil -----	1,410.40
Shale -----	30.80
Dirt -----	828.00
Total -----	7,087.00

The average cost of regular maintenance per mile per year for the past two years on the different types was approximately :

Concrete -----	\$320.00
Asphalt -----	330.00
Brick -----	480.00
Pen. Macadam -----	350.00
Surface Treated Macadam -----	40.00
Surface Treated Gravel -----	420.00
Oil Treated -----	490.00
Gravel -----	590.00
Topsoil -----	540.00
Shale -----	550.00
Dirt -----	620.00

Or an average cost of \$443.46 per mile per year.

The above costs include all labor, supplies, the upkeep and operation of motor equipment, new equipment purchased, all repairs and maintenance of bridges, and the making and painting of 80,689 metal signs by the Motor Equipment Department and the erection of said signs by the nine district forces. United States markers have been placed on all important interstate roads throughout the State. During the past two years some two hundred heavy badly worn government trucks have been replaced by special designed highway trucks and other lighter trucks, which have proven much more satisfactory and economical on the better types of roads. The use of the lighter trucks have been so satisfactory that the heavy trucks now in use will be replaced by the light ones just as fast as it is feasible to do so on the better types of roads.

EQUIPMENT DEPARTMENT

The equipment Department is directed by the Chairman of the State Highway Commission through F. B. Hall, superintendent, who has control over the central shops located on the site of Camp Polk near Raleigh, and of the secondary shops, one of which is located in each of the nine districts.

At the central shops all major repairs to equipment of any nature are made, as well as a large number of replacement parts for servicing equipment in the field being manufactured in the machine shop. Also, during the past two years there have been made and placed on the highways of the State approximately 80,000 metal signs for the guidance of the traveling public. These have been made at a saving of more than one hundred per cent over the manufacturers' quotations.

During the same period there have been built and put into service two hundred special highway trucks. These have a capacity of two tons, and have shown a marked saving in gasoline and oil consumption over the heavy army type trucks which they have replaced. Largely due to their use the maintenance personnel has been reduced seven per cent, with a reduction of eight per cent in the payroll.

In addition to the shops referred to above, there is maintained at headquarters a storeroom and the office of the superintendent. The storeroom carries a complete stock of parts for servicing all equipment throughout the State. This is issued to the various districts upon requisition of the District Mechanic (referred to later) and approved by the District Engineer.

There is maintained in each of the nine districts a secondary shop, which is controlled by a District Mechanic, who has under his direction a sufficient force of field mechanics for servicing all equipment in the field. They make such minor repairs as are necessary to keep it in serviceable condition.

When any piece of equipment becomes so worn that it is not economical to further operate, a request is made by the District Mechanic on the headquarters shop for an exchange or replacement. The piece of equipment is then taken in and a rebuilt truck or car is furnished in its stead. If the condition of the worn equipment justifies it, it is completely overhauled. The cylinders and crank shafts are reground, new pistons installed, and, in short it is made for all practical purposes a new vehicle. If it is in such condition as to not be practical to rebuild, it is salvaged and such parts as are usable are assembled with some other unit of like nature.

On June 30, 1928, there were in operation on the highway system nine hundred and sixty-eight pieces of equipment, including gasoline-driven pumps through the range of automobiles, trucks and tractors to large steam-driven steam shovels and cranes.

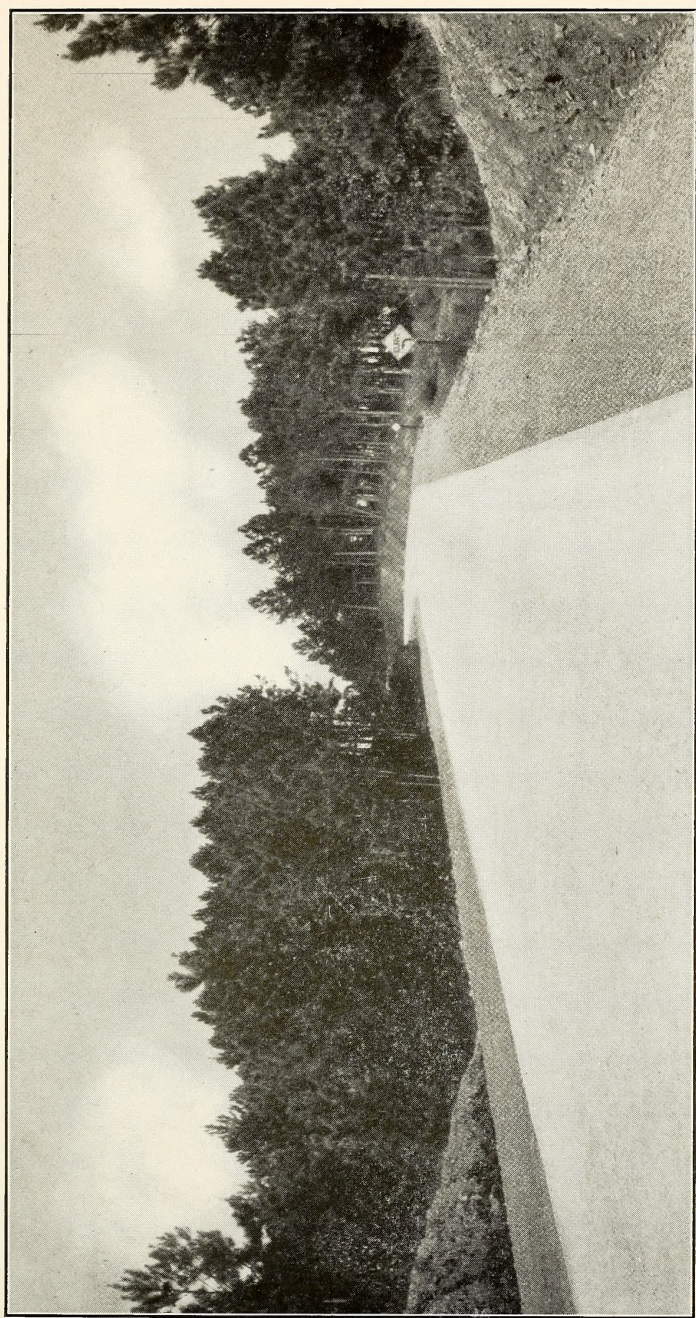
ROAD OIL DEPARTMENT

The surface treatment of sand-clay, topsoil or gravel roads consists of treating the surface of the road with tar or asphalt and covering with sand, gravel or stone. The tar and asphalt protects the surface from water and holds the cover material which takes the wear from the vehicles.

The bituminous material used for the initial or prime coat is tar. The second application is either asphalt or tar, asphalt being used when sand is used as cover, and tar being used when stone is the cover material.

During the past two years 520 miles of road have been surface treated. The Road Oil Department is properly organized and equipped to efficiently handle the work. The organization consists of fifteen unit foremen, three supervisors and a Junior Bituminous Engineer, all working under the supervision of the Senior Bituminous Engineer, who is in immediate charge of the Road Oil Department. The equipment consists of fourteen distributors, together with sweepers, trucks, tractors, tank wagons, etc.

The results obtained from treating soil and gravel roads with bituminous materials have been satisfactory. Good results can be obtained if proper care is used in selecting roads to be treated.



ASHBORO-LEXINGTON HIGHWAY—ROUTE 20

REPORT ON AUDITS

For Year Ended June 30, 1927

SEPTEMBER 24, 1927.

HON. BAXTER DURHAM, *Auditor, State of North Carolina,*
Raleigh, North Carolina.

DEAR SIR:—As requested, we have audited the financial books and records of the North Carolina State Highway Commission for the year ended June 30, 1927.

The operations of the Highway Commission are handled through two funds, Construction and Maintenance, each of the funds being treated in the following sections, which are indicated by outside tabs. These sections furnish full details of the operations and financial condition of the Highway Commission and compose our report, with the exception of the general items commented upon below.

MOTOR VEHICLE LICENSE BUREAU

This bureau makes a monthly report to the Highway Commission of collections, refunds, expenses and sundry data, which is very complete with one exception, that is, no reconciliation is made by the License Bureau with the State Treasurer. The report should contain a schedule showing this reconciliation, as the Highway Commission charges the State Treasurer with the collections as shown by his records and defers the entire amount until the License Bureau report is received; the collections as shown by the report are credited to revenue and charged to the collections deferred per the Treasurer's records. The amount remaining in the deferred account should represent collections received by the Treasurer in one month and not handled by the License Bureau until the following month; the detail deposit items composing same should be shown by the reconciliation schedule. A reconciliation would also locate any errors that may be made by either the Treasurer or License Bureau.

When it is considered that over \$14,000,000.00 is collected yearly by the License Bureau, which is deposited with the State Treasurer, the importance of reconciliations between each other is obvious.

The Highway Commission's records now reflect that there is a balance deferred that will have to be accounted for, but in the absence of a reconciliation it cannot be determined that the deferred amount represents interim items, as there are always deposits lapping months between the two departments, the accuracy of the amount deferred is not ascertainable until an audit showing proper reconciliation is made of the License Bureau.

INTERNAL COLLECTIONS

The collections referred to are those turned in to the Highway Commission auditor's office by other departments of the commission for the sale of plans, maps, junk and materials. At present there is no official remittance form providing for a receipt to the remitter, the collections being either handed over in person or transmitted by letter.

We devised a special remittance form to furnish a basis for auditing these items and the Highway Auditor advised us he would put same into effect at once.

CONDITION OF RECORDS

The records were found in excellent condition. They contain full and complete information of the operations and financial condition of the commission.

Respectfully submitted,

A. M. PULLEN & Co.,
Certified Public Accountants.

CONSTRUCTION FUND COMMENTS

The Construction Revenue and Costs, as set forth in Exhibits "A" and "B," cover a six-year period, from the beginning of the present program, March 4, 1921, and goes through June 30, 1927. The information presented in these exhibits is outlined below:

EXHIBIT "A"

The Revenue and Costs for the State as a whole are presented herein. The sources of same are given for both the year ended June 30, 1927, and for the total program to date.

REVENUE

A summary of the revenue follows:

	<i>For Year Ended 6-30-27</i>	<i>Total of Program Through 6-30-27</i>
1. State Bonds -----	\$ 20,000,000.00	\$ 105,000,000.00
2. Reversion from Maintenance Fund-----	5,673,374.97	10,248,203.22
3. Accrued Interest and Premiums on Bonds Sold -----		211,339.76
4. Cement and Pipe Brokerage-----	327,866.51	1,690,847.92
5. Federal Aid -----	1,713,356.00	11,505,446.22
6. Donations -----	772,508.59	10,679,666.52
7. Loans from Counties-----	7,393,797.90	10,454,474.27
Total-----	\$ 21,093,308.17	\$ 149,789,917.91

The above items will now be considered in their numbered order:

1. Bond revenue is made available from authorizations of the General Assembly, reference being given in the exhibit to the chapter and act creating the authority. The General Assembly of 1927 authorized \$30,000,000.00 of Highway Bonds, of which \$10,000,000.00 was not to be available until 1928, and is therefore not considered in the revenue above.

2. Revenue derived for construction from the maintenance fund represents the amount remaining in the fund after it had provided for interest, sinking fund contributions, administrative expenses, maintenance of roads and general construction and organization expenses. The maintenance fund has contributed from the beginning of the program \$13,128,234.48, of which \$2,880,031.26 is for assumption of general construction expenses prior to transferring the maintenance surplus to the construction fund.

3. Accrued interest and premiums on bonds sold is self-explanatory. The accrued interest received during the past year was credited to interest paid in the maintenance fund.

4. Cement and pipe brokerage is the equivalent of a dealer's discount for sales of cement and pipe to road contractors.

5. Federal Aid represents North Carolina's allotments of the congressional appropriations to aid States in constructing highways, since March 4, 1921. Prior to the commencement of the program in 1921, \$5,924,198.98 was received from this source, or an entire total received of \$17,429,645.20 from the beginning of Federal assistance.

6. Donations are shown in detail by contributors in Schedule 1.

7. Loans are given in detail in Schedule 2. Their repayment is contingent upon future construction money accruing to the credit of the county, which revenue is not determinable and the loans are therefore treated as revenue.

When repayment is made, the revenue is reduced by the repayments as the loans were previously taken into revenue. If all loans were repaid, the total revenue would be the same as if they were never made.

During the past year there was a net reduction of \$7,393,797.90 in loan revenue. The sources of this reduction are:

Loan contracts canceled or reduced that were in revenue at	
June 30, 1926 -----	\$ 1,066,336.07
Loans repaid -----	7,059,061.83
	\$ 8,065,397.90
Less: Loan contracts made in period July 1, 1926-March 4, 1927-	671,600.00
Net reduction-----	\$ 7,393,797.90

COSTS

The construction costs are set forth below:

	<i>For Year Ended 6-30-27</i>	<i>Total of Program Through 6-30-27</i>
Toll roads and bridges acquired-----	\$ -----	\$ 56,007.05
Contributed to Construction Fund (1919 law) to complete projects -----		685,299.76
For projects and for preliminary costs on projects not awarded to contract-----	14,916,705.47	139,136,182.83
Total-----	\$ 14,916,705.47	\$ 139,877,489.64

With the exception of the first two items above, construction costs represent only those items that can be charged direct to specific projects, items of a general construction nature having been transferred to the maintenance fund.

Toll roads and bridges are those that were acquired prior to the policy of giving project numbers to acquisitions of this kind.

The amount contributed to the (1919 law) construction fund was necessitated in order to complete projects undertaken prior to the enactment of the 1921 State Highway Act. Our audit report of the previous year contained an exhibit setting forth the financial condition of the construction fund (1919 law) that necessitated the contribution.

Costs represented by projects are for projects completed, projects that have been awarded to contract and are now in process of construction, and preliminary costs on projects that have not been awarded to contract (the latter appear as an overdraft in red in Schedule 5, the overdrafts being taken care of at the end of each district by an allotment for the total of same). The detail status of each project is given in Schedule 5, supported by Schedule 5-A. All projects let to contract up to the August 23, 1927, letting have been included in the project costs, except project 7720, on which figures were not available at the time we closed our audit. Each project in process of construction was gone over with the district engineers in order to adjust the allotments with overruns or underruns that developed in the course of construction.

AVAILABILITY

Construction availability is the difference between the revenue and costs and represents funds available for further use, the amount of same being \$9,912,428.27.

EXHIBIT "B"

In this statement the revenue, costs and availability are divided between the nine districts of the State, the totals of the combined districts agreeing with the State-wide totals shown in Exhibit "A."

REVENUE

Our report of the previous year contained in detail the apportionment between districts of each class of revenue from the beginning of the program in 1921, and the transfers between districts for the same period. The total revenue as shown in last year's report is the starting point of revenue in this year's report. To this is added the revenue of the year, the items of same being:

Bonds -----	\$ 20,000,000.00
Maintenance Fund surplus -----	5,673,374.97
Cement and pipe brokerage -----	327,866.51
Federal Aid -----	1,713,356.00
Donations -----	772,508.59
Loans -----	7,393,797.90

Total revenue of year ----- \$ 21,093,308.17

The basis of apportionment between districts of the year's revenue is outlined below:

BONDS AND FEDERAL AID are apportioned according to area, population and mileage, this basis being mandatory for State bonds by the terms of the State Highway Act, but is selective by the Highway Commission for Federal Aid.

MAINTENANCE FUND SURPLUS is apportioned according to the resolution adopted by the Highway Commission on September 1, 1926. The working out of the apportionment is given in detail in Exhibits "D" and "E."

CEMENT AND PIPE BROKERAGE is apportioned to districts according to the actual earnings in each district.

DONATIONS are given for specific projects. The district total represents the total donated to the projects in the district. The reduction of donations in the second and seventh districts is caused by originally setting up the railroad's portion of the cost of constructing underpasses, as estimated by the engineers. When the construction was completed, the agreement was adjusted to the railroad's portion of actual cost.

LOANS are for specific projects, the changes in each district occurring on the projects in the district. The nature of these changes has been described in our comments upon loans in Exhibit "A."

EXHIBIT "C" shows the revenue transferred between districts for the year to provide for the equalization of costs on projects lapping districts. This method of equalization is necessary, owing to the impracticability of separating project charges between districts.

COSTS

The individual projects representing the total of each district's costs are given in Schedule 5. This schedule includes loans made by counties for projects not yet awarded to contract, the inclusion being necessary in order to show true availability as the loan agreement has been taken into revenue.

When the contracts are awarded, they will not affect availability unless the project costs are in excess of the loan, in which event a State allotment would be necessary for the excess.

AVAILABILITY

Each district has a surplus available for further use, except the eighth district, which district has a deficit of \$19,771.75.

EXHIBIT "F"—BALANCE SHEET

The financial condition of the Construction Fund at June 30, 1927, is presented herein. The assets to be realized in order to liquidate the liabilities and leave the available surplus remaining are:

Cash	\$ 6,185,036.76
Bonds	8,261,300.01
U. S. Department of Agriculture.....	2,114,184.48
Accounts Receivable—Cement and Pipe.....	179,577.34
Unpaid Donation Agreements.....	346,348.50
Unpaid Loan Agreements.....	870,290.00
Notes of Northampton County.....	2,000.00
Note of Avery County.....	12,730.45
Due from Maintenance Fund.....	5,780,608.26
Working Funds and Stores.....	108,787.48
Total assets.....	\$ 23,860,863.28

CASH with the State Treasurer is in accord with the records of the State Treasurer, when outstanding warrants are considered. Cash on deposit with sundry banks was reconciled with the banks; the deposits are secured by surety bonds and State and Federal Bonds and represent funds advanced by counties for projects to be constructed under loan agreements, the funds being transferred to the State Treasurer as the work progresses.

BONDS represent the amount yet to be placed to the credit of the Highway Commission Checking Account from the proceeds of the last bond issue. The State Treasurer's records show that this amount has been placed to the credit of the Highway Commission, but has not been transferred to the Highway Checking Account.

U. S. DEPARTMENT OF AGRICULTURE owe for the unpaid part of the 1928 apportionment, their records being in agreement with the State. Payment of this balance will be made as work on approved projects is done.

ACCOUNTS RECEIVABLE FOR CEMENT AND PIPE are being realized by deducting them from contractors' estimates for projects on which the cement and pipe is used.

UNPAID DONATION AGREEMENTS are listed in Schedule 1. The accounting department has full information concerning the unpaid items, and we would suggest that they be reviewed and some action taken on those of long standing.

UNPAID LOAN AGREEMENTS are shown in Schedule 2, which is a statement of full detail concerning loan transactions. If the agreement is not paid, it will not affect the availability as the liability for construction will be correspondingly reduced.

NOTES OF NORTHAMPTON COUNTY are due \$1,000.00 January 1, 1927, and \$1,000.00 January 1, 1928, the former now being past due. Former notes of this series have been paid, which indicates realization of those now outstanding.

NOTE OF AVERY COUNTY was due June 4, 1925, the note being taken over at the time the 1919 Construction Fund was closed. Either collection should be made or authority should be given to reserve it as a loss.

DUE FROM MAINTENANCE FUND will be realized gradually as the cash position of the Maintenance Fund permits. Schedule 3 reflects the transactions from which this balance arises.

WORKING FUNDS AND STORES consist of cash working advances, \$107,955.04, and bridge materials, \$832.44. The advances were verified by direct certificate from the employees responsible for same. The largest advances are to district officers who account for same monthly by disbursement vouchers for construction.

The liabilities to be liquidated consist of—

County Loans Authorized for Repayment.....	\$ 1,221,625.16
Reserved for Unpaid Checks.....	1,039.94
Construction Projects to be completed.....	12,725,769.91
Total liabilities.....	\$ 13,948,435.01

Schedule 4 contains a list of the repayments authorized at June 30, 1927, but had not been made at that time.

The amount reserved for unpaid checks represents the liability for outstanding checks on working fund advances closed.

The liability for construction projects is the estimated amount to be expended for the completion of all authorized projects. This does not include all the projects appearing in Schedule 5, as some of them have not been awarded to contract, the expenditures on these representing location costs.

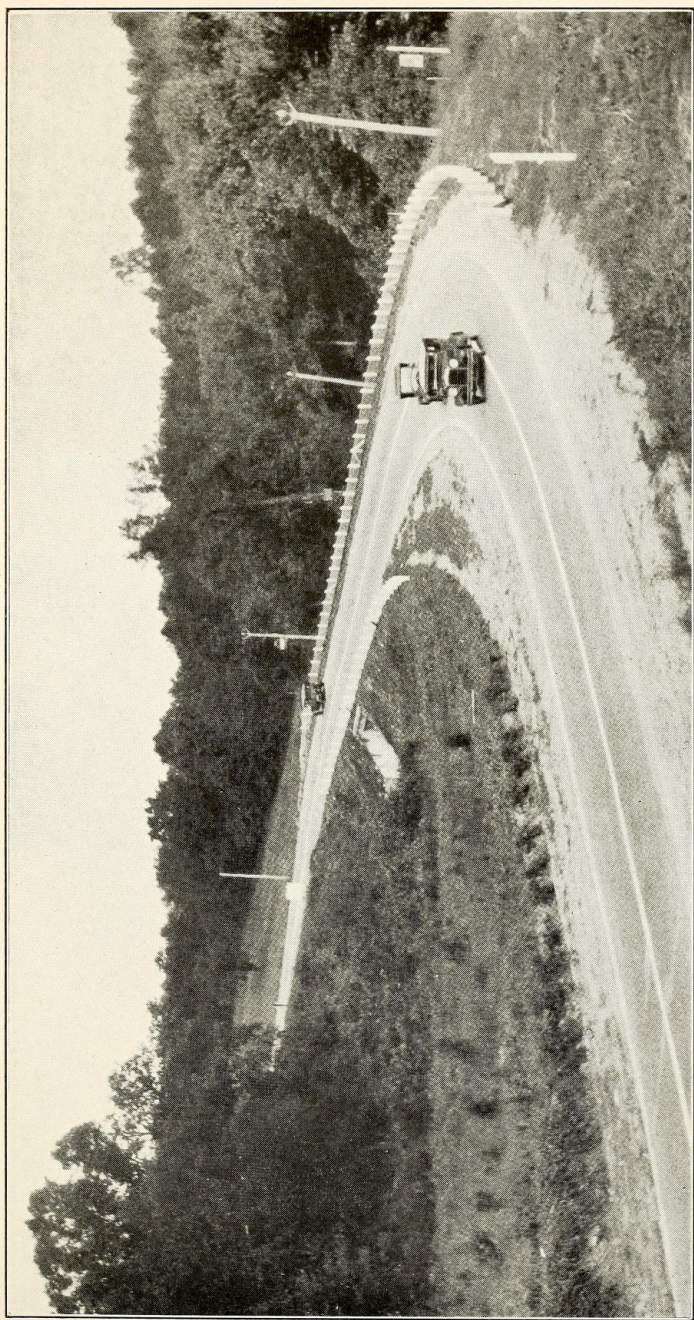
The difference between the assets and liabilities is the construction availability or surplus available for further use.

EXHIBIT "A"

SUMMARY STATEMENT OF REVENUE AND COSTS OF CONSTRUCTION FUND

MARCH 4, 1921—JUNE 30, 1927

REVENUE	March 4, 1921 June 30, 1926	For Year Ended June 30, 1927	Total March 4, 1921 June 30, 1927
<i>Bonds:</i>			
Chapter 5 of 1921 Assembly.....	\$ 50,000,000.00	\$.....	\$ 50,000,000.00
Chapter 263 of 1923 Assembly.....	15,000,000.00	.....	15,000,000.00
Chapter 35 of 1925 Assembly.....	20,000,000.00	.....	20,000,000.00
Chapter 95 of 1927 Assembly:			
Authorized..... \$30,000,000.00			
Not available until 1928..... 10,000,000.00		20,000,000.00	20,000,000.00
<i>Total Bonds</i>	\$ 85,000,000.00	\$ 20,000,000.00	\$ 105,000,000.00
<i>Reversion from State Highway Maintenance Fund</i>	4,574,828.25	5,673,374.97	10,248,203.22
<i>Other Revenue:</i>			
Accrued Interest and Premiums on Bonds Sold ...	211,339.76	.....	211,339.76
(Credited to Interest in Main. Fund in 1927)			
Cement and Pipe Brokerage and Miscellaneous.....	1,362,981.41	327,866.51	1,690,847.92
<i>Total Other Revenue</i>	\$ 1,574,321.17	\$ 327,866.51	\$ 1,902,187.68
<i>Federal Aid:</i>			
Apportionment of 1921 and prior years.....	6,269,773.88	.....	.....
Less: Received prior to 1921 State Road Act.....	5,924,198.98	.....	.....
Available Under 1921 Act.....	345,574.90	.....	345,574.90
Apportionment 1922-1927.....	9,446,515.32	.....	9,446,515.32
Apportionment 1928.....	.....	1,713,356.00	1,713,356.00
<i>Total Federal Aid</i>	\$ 9,792,090.22	\$ 1,713,356.00	\$ 11,505,446.22
<i>Donations</i> —(Schedule 1).....	9,907,097.93	772,508.59	10,679,606.52
<i>Loans from Counties:</i> (Schedule 2).....	17,848,272.17	7,393,797.90	10,454,474.27
(Source of Loan Changes in Year):			
Loan contracts cancelled or reduced that were in revenue at June 30, 1926.....	\$ 1,006,336.07		
Loans repaid.....	7,059,061.83		
	\$ 8,065,397.90		
Less: Loan contracts made in period July 1, 1926—March 4, 1927.....	671,600.00		
Net Reduction.....	\$ 7,393,797.90		
<i>Total Revenue</i>	\$128,696,609.74	\$ 21,093,308.17	\$ 149,789,917.91



ROUTE 10—GUILFORD COUNTY

EXHIBIT "A"—Continued

COSTS	March 4, 1921 June 30, 1926	For Year Ended June 30, 1927	Total March 4, 1921 June 30, 1927
<i>Toll Roads and Bridges Acquired</i>	\$ 56,007.05	\$-----	\$ 56,007.05
<i>Contributed to Construction Fund (1919 Law) to Complete Projects</i>	685,299.76	-----	685,299.76
<i>Allotments for Projects and for Preliminary Costs on Projects not Awarded to Contracts:</i>			
State and Federal Funds (Schedule 5).....	96,464,107.26	21,537,994.78	118,002,102.04
Donations (Schedule 5).....	9,907,097.93	772,508.59	10,679,606.52
Loans (Schedule 5).....	17,848,272.17	7,393,797.90	10,454,474.27
<i>Total Allotments</i>	\$124,219,477.36	\$ 14,916,705.47	\$ 139,136,182.83
<i>Total Costs</i>	124,960,784.17	14,916,705.47	139,877,489.64
<i>Revenue Available for Further Use</i>	\$ 3,735,825.57	\$ 6,176,602.70	\$ 9,912,428.27 (Exhibit "F")

Note 1—Revenue Available for Further Use is Out of:

State and Other Revenues.....	\$ 8,946,665.10
Federal Aid Revenue.....	965,763.17
<i>Total</i>	\$ 9,912,428.27

Note 2—Total Allotments..... 139,136,182.83
Expended to June 30, 1927..... 126,410,412.92

To be Expended for Completion of Projects Authorized.....\$ 12,725,769.91

EXHIBIT "B"

STATEMENT SHOWING REVENUE AND COSTS

AND AVAILABILITY OR OVERDRAFT

REVENUE	Total for State	District 1	District 2	District 3
<i>District Revenue per Audit, June 30, 1926</i>	\$127,955,302.93	\$ 20,859,201.19	\$ 15,570,293.76	\$ 12,152,980.31
<i>Revenue for Year Ended June 30, 1927:</i> (See comments for basis of apportionment)				
Bonds	20,000,000.00	3,268,600.00	2,096,200.00	2,065,600.00
Maintenance Fund Surplus (Exhibits "D" and "E")	5,673,374.97	984,013.74	669,155.71	602,315.21
Cement and Pipe Brokerage	327,866.51	43,674.38	42,186.07	34,609.81
Federal Aid	1,713,356.00	280,013.77	179,576.84	176,955.41
Donations	772,508.59	156,000.00	1,337.41	-----
Loans	7,393,797.90	1,053,980.57	726,600.00	1,178,525.27
<i>Total Revenue for Year</i>	\$ 21,093,308.17	\$ 3,678,321.32	\$ 2,259,181.21	\$ 1,700,955.16
<i>Total Revenue for Program Period</i>	149,048,611.10	24,537,522.51	17,829,474.97	13,853,935.47
<i>Transfers Between Districts for Year</i> (Exhibit "C"):				
Revenue transferred to	187,633.59	-----	-----	-----
Revenue transferred from	187,633.59	13,501.04	-----	3,000.00
<i>District Revenue Available for Construction</i>	\$149,048,611.10	\$ 24,524,021.47	\$ 17,829,474.97	\$ 13,850,935.47
COSTS				
<i>Allotments for Construction and Preliminary Costs:</i>				
State and Federal	118,002,102.04	20,003,913.82	11,453,614.50	12,170,644.59
Donations	10,679,606.52	2,410,197.75	1,947,479.23	103,781.74
Loans applied to Contracts Let	9,544,563.42	768,241.01	2,183,400.00	546,474.73
Loans for Projects not awarded to Contract	909,910.85	160,633.38	300,000.00	-----
<i>Total Allotments (Schedule 5)</i>	\$139,136,182.83	\$ 23,342,985.96	\$ 15,884,493.73	\$ 12,822,901.06
<i>Available for Further Use (Exhibit "F")</i>	9,912,428.27	-----	-----	-----
<i>District Availability—Overdraft</i>	-----	1,181,035.51	1,944,981.24	1,028,034.41

NOTE: Allotments have been made for all Projects awarded to contract up to August 23, 1927 letting, except Project 7720 Watauga County, the contract for same plus engineering being \$119,785.95.

EXHIBIT "B"

FROM MARCH 4, 1921-JUNE 30, 1927

AT JUNE 30, 1927, BY DISTRICTS

District 4	District 5	District 6	District 7	District 8	District 9
\$ 13,226,065.21	\$ 12,132,578.35	\$ 19,322,109.94	\$ 11,081,703.96	\$ 10,929,469.85	\$ 12,680,900.36
2,254,000.00	2,208,200.00	2,761,800.00	2,009,600.00	1,512,400.00	1,823,600.00
709,816.17	606,781.14	939,340.66	480,088.81	266,272.56	415,590.97
34,939.04	29,913.82	63,904.35	18,674.83	36,208.03	23,756.18
193,095.22	189,117.64	236,597.33	172,158.01	129,563.98	156,223.80
30,002.56	34,552.33	383,812.00	193.14	37,303.58	132,368.67
606,821.36	511,396.39	1,615,796.08	225,000.00	671,806.26	803,871.97
\$ 2,615,031.63	\$ 2,557,222.54	\$ 2,769,658.26	\$ 2,455,328.51	\$ 1,309,941.89	\$ 1,747,667.65
\$ 15,841,096.84	\$ 14,689,800.89	\$ 22,091,768.20	\$ 13,537,032.47	\$ 12,239,411.74	\$ 14,428,568.01
13,501.04	3,000.00	26,684.49	144,448.06		
-----	78,714.08	65,733.98	-----	26,684.49	-----
\$ 15,854,597.88	\$ 14,614,086.81	\$ 22,052,718.71	\$ 13,681,480.53	\$ 12,212,727.25	\$ 14,428,568.01
13,853,061.99	12,897,240.96	15,488,672.49	11,249,024.20	9,540,923.29	11,345,006.20
221,550.87	143,699.24	2,663,120.77	967,521.31	985,939.15	1,234,316.46
1,213,178.64	298,603.61	1,516,759.62	100,000.00	1,507,817.78	1,410,088.03
-----	-----	26,458.69	-----	197,818.78	225,000.00
\$ 15,287,791.50	\$ 13,339,543.81	\$ 19,695,011.57	\$ 12,316,545.51	\$ 12,232,499.00	\$ 14,214,410.69
-----	-----	-----	-----	-----	-----
566,806.38	1,274,543.00	2,357,707.14	1,364,935.02 (See Note)	19,771.75	214,157.32

EXHIBIT "C"

TRANSFERS OF REVENUE BETWEEN DISTRICTS FOR
PROJECTS IN MORE THAN ONE DISTRICT

DURING YEAR ENDED JUNE 30, 1927

	Revenue Added	Revenue Deducted
<i>1st District:</i>		
Project 4980	\$	\$ 13,501.04
<i>3rd District:</i>		
Project 549 .....	.....	3,000.00
<i>4th District:</i>		
Project 4980	13,501.04	.....
<i>5th District:</i>		
Project 730-B .....	.....	78,714.08
Project 549	3,000.00	.....
<i>6th District:</i>		
Project 728 .....	.....	65,733.98
Project 810-815 (Reduction of previous transfer)	26,684.49	.....
<i>7th District:</i>		
Project 728	65,733.98	.....
Project 730-B	78,714.08	.....
<i>8th District:</i>		
Project 810-815 (Previous transfer corrected) .....	.....	26,684.49
<i>Total Transfers—(Exhibit "B")</i>	<i>\$187,633.59</i>	<i>\$ 187,633.59</i>

EXHIBIT "D"

STATEMENT SHOWING MAINTENANCE SURPLUS FUNDS
TRANSFERRED TO CONSTRUCTION FUND

FOR YEAR ENDED JUNE 30, 1927

(For Details of Maintenance Revenue and Expense
See Exhibit "A" in Maintenance Section)

<i>Maintenance Revenue:</i>		
Automobile Licenses—Net.....	\$5,893,609.78	
Gasoline Tax—Net.....	8,120,604.29	
<i>Total Net Collections.....</i>	<i>\$ 14,014,214.07</i>	
<i>Less: License Bureau Expense.....</i>	<i>397,288.49</i>	
<i>Net Revenue from Licenses and Gas Tax.....</i>	<i>\$ 13,616,925.58</i>	
Net Profit from Pipe Plant.....	20,146.79	
Sundry Revenue.....	2,949.48	
<i>Total Revenue.....</i>		<i>\$ 13,640,021.85</i>
<i>Expenses Before District Apportionment:</i>		
Administrative Expenses.....	243,747.71	
Interest.....	3,825,138.98	
General Maintenance Expenses.....	243,123.56	
Employees Liability Insurance.....	62,069.56	
General Construction Expenses.....	119,455.45	4,493,535.26
<i>Revenue Apportionable to Districts Only (See below).....</i>		<i>9,146,486.59</i>
<i>Deduct: Ordinary District Maintenance (See below).....</i>		<i>2,798,344.35</i>
<i>Revenue Apportionable to Districts by Counties (See below).....</i>		<i>6,348,142.24</i>
<i>Betterments Chargeable to Counties:</i>		
Spent during Year.....	474,817.94	
Reserved for Completion.....	199,949.33	674,767.27
<i>Available for Construction (Exhibit "B").....</i>		<i>5,673,374.97</i>
<i>Applied to Construction Projects During Year.....</i>		<i>1,318,352.20</i>
<i>Available for Further Use.....</i>		<i>\$ 4,355,022.77</i>

APPORTIONMENT BY DISTRICTS BEFORE DISTRIBUTION TO COUNTIES

Districts	Revenue by Districts on Area, Popu- lation and Mileage Basis	Ordinary District Maintenance	Revenue Apportionable to Counties
1.....	\$ 1,494,810.30	\$ 393,690.99	\$ 1,101,119.31
2.....	958,643.25	284,786.29	673,857.96
3.....	944,649.13	263,917.41	680,731.72
4.....	1,030,809.04	271,667.87	759,141.17
5.....	1,009,863.59	285,932.45	723,931.14
6.....	1,263,038.34	306,197.68	956,840.66
7.....	919,038.97	382,375.16	536,663.81
8.....	691,657.32	301,298.17	390,358.15
9.....	833,976.65	308,478.33	525,498.32
<i>Totals.....</i>	<i>\$ 9,146,486.59</i>	<i>\$ 2,798,344.35</i>	<i>\$ 6,348,142.24</i>

EXHIBIT "F"

CONSTRUCTION FUND—BALANCE SHEET

JUNE 30, 1927

ASSETS		
<i>Cash:</i>		
With State Treasurer	\$ 3,661,577.87	
With Banks—Secured by Surety Bonds and Securities	2,523,458.89	\$ 6,185,036.76
<i>Bonds:</i>		
Authorized:		
Chapter 2 of 1921	50,000,000.00	
Chapter 263 of 1923	15,000,000.00	
Chapter 35 of 1925	20,000,000.00	
Chapter 95 of 1927:		
Authorized	\$ 30,000,000.00	
Not available until 1928	10,000,000.00	20,000,000.00
	\$105,000,000.00	
Less: Made available by State Treasurer	96,738,699.99	8,261,300.01
<i>U. S. Department of Agriculture:</i>		
Unpaid part of Federal Aid Apportionment		2,114,184.48
<i>Accounts Receivable—</i>		
For Cement and Pipe		179,577.34
<i>Due for Participations:</i>		
Unpaid Donation Agreements (Schedule 1)	346,348.50	
Unpaid Loan Agreements	870,290.00	
Notes of Northampton County—\$1,000 due 1-1-27 and 1-1-28	2,000.00	
Note of Avery County, due June 4, 1925	12,730.45	1,231,368.95
<i>Due from Maintenance Fund (Schedule 3)</i>		5,780,608.26
<i>Working Funds and Stores:</i>		
Cash Working Advances	107,955.04	
Bridge Materials	832.44	108,787.48
		\$ 23,860,863.28
LIABILITIES		
<i>County Loans Authorized for Repayments (Schedule 4)</i>		
<i>Reserved for Unpaid Checks</i>		1,221,625.16
<i>Construction Projects: (Schedule 5)</i>		1,039.94
Estimated to complete projects let, and preliminary costs on unlet projects	\$ 11,815,859.06	
County loans for projects not awarded to contract	909,910.85	12,725,769.91
<i>Construction Fund Availability: (Exhibits "A" and "B")</i>		
From State Funds	8,946,665.10	
From Federal Aid Funds	965,763.17	9,912,428.27
<i>Contingent Liability \$9,584,184.27 (Schedule 2)</i>		
Loans made by Counties to be repaid from funds accruing to the Counties from future construction funds.		
		\$ 23,860,863.28

SCHEDULE 1

DONATION AGREEMENTS MARCH 4, 1921-JUNE 30, 1927, AND BALANCE DUE ON SAME

AT JUNE 30, 1927

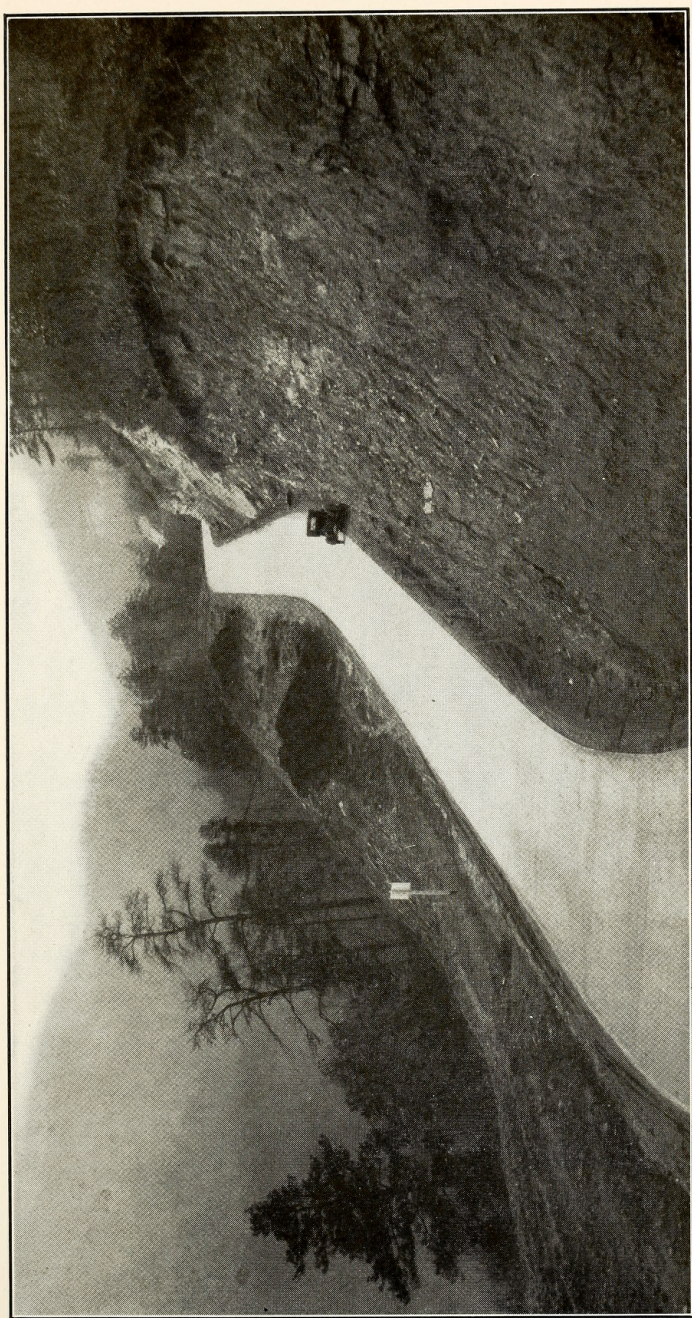
Project	Contributor	Donation Agreement	Amount Unpaid
Beaufort.....104-A	N. & S. Ry.....	\$ 2.89	\$.....
Beaufort.....105-A	County.....	73,844.47	.....
Beaufort.....105-B	County.....	160,509.53	.....
Beaufort.....1000	County.....	162,573.14*	.....
Bertie.....106-B	County.....	150,000.00*	.....
Bertie.....107-B-109	County.....	16,090.00*	.....
Bertie-Chowan.....109-B	State of North Carolina.....	600,000.00	.....
Chowan.....113-B	N. & S. Ry.....	70.07	.....
Chowan-Perquimans 115	Chowan County.....	51,604.21	.....
Chowan.....116	Bid Bond Forfeited.....	4,000.00	.....
Edgecombe.....124	Town of Tarboro.....	154.87	.....
Edgecombe.....125	Town of Tarboro.....	102.59	.....
Edgecombe.....129	Town of Tarboro.....	39.96	.....
Gates.....133	Pasquotank County.....	144.50	.....
Halifax.....137	Town of Roanoke Rapids.....	72.67	.....
Halifax.....138-B	Halifax and Northampton Counties	100,000.00	.....
Halifax-Edgecombe 141	A. C. L. Ry. Co.....	7,649.72	.....
Halifax.....143	East Carolina Teachers College.....	44.90	.....
Hertford.....149	County.....	5,000.00	.....
Martin.....154	County.....	190,353.26	.....
Martin.....155-A	County.....	1,154.55	.....
Martin.....157-A	County.....	106,612.25	.....
Martin.....157-B	County.....	103,787.82	.....
Nash.....1640	City of Rocky Mount.....	15,350.00	.....
Pasquotank.....173	County.....	69,321.77	21,321.77
Pitt.....183	County.....	100,000.00	.....
Pitt.....184	County.....	100,000.00	.....
Pitt.....185-C	County.....	225,000.00	.....
Tyrrell.....190-194	County.....	156,000.00	.....
Tyrrell.....192	Town of Columbia.....	19.95	.....
Wilson.....291-B	R. R.....	10,694.63	.....
Carteret.....200	N. & S. Ry.....	73.44	.....
Carteret.....200-B-201-C	County.....	167,722.17	.....
Craven.....208	.....	35.00	.....
Johnston.....235	Southern Ry.....	5,010.15	5,010.15
Johnston.....235	A. C. L. R. R.....	7,948.83	.....
Johnston.....240	A. C. L. R. R.....	22,738.82	.....
Lenoir.....258-259	County.....	1,545,495.76*	.....
Pamlico.....265-266	County.....	150,000.00	.....
Pamlico.....267-268	Town of Oriental.....	6,251.75	.....
Sampson.....278	County.....	20,000.00	.....
Wayne.....280	N. & S. Ry.....	1,086.00	.....
Wayne.....283	City of Goldsboro.....	3,937.19	.....
Wayne.....283	A. C. L. R. R.....	7,267.24	.....
Wayne.....284	A. C. L. R. R.....	9,912.88	.....
Bladen.....302	County.....	10,000.00	.....
Bladen.....306	County.....	7,500.00	.....
New Hanover.....353	County.....	11,590.83	.....
New Hanover.....353	County.....	46,532.75*	.....
New Hanover.....355	County.....	25,000.00	15,000.00
Onslow.....367	Bryan-King Motor Company.....	284.97	.....

*Represents construction values paid for by contributor and turned over to the State.

SCHEDULE 1—Continued

Project	Contributor	Donation Agreement	Amount Unpaid
Onslow.....367.....	Town of Jacksonville.....	\$ 4,755.86	\$.....
Pender.....379.....	A. C. L. Ry.....	117.33	.....
Chatham.....403-A.....	S. A. L. Ry.....	192.60	.....
Durham.....415.....	N. & W. Ry.....	9,945.85	.....
Durham.....415.....	Southern Ry.....	2,921.64	.....
Durham.....417.....	Southern Ry.....	8,250.00	.....
Durham.....417.....	County.....	30,000.00*	.....
Franklin.....418.....	S. A. L. Ry.....	8,275.93	.....
Granville.....427.....	Oxford Orphanage.....	4,102.24	.....
Lee.....448.....	County.....	25,000.00	.....
Lee.....449-A.....	N. & S. Ry. Co.....	2,978.32	.....
Orange.....455-B.....	University of N. C.....	1,320.59	.....
Person.....465.....	N. & W. Ry.....	6,406.92	.....
Varce.....472-A.....	County.....	30,740.00	.....
Wake.....477.....	S. A. L. Ry.....	7,910.00	.....
Wake.....477.....	D. & S. Ry.....	11,688.18	.....
Wake.....479.....	N. & S. Ry.....	8,972.41	.....
Wake..........	State College.....	437.60	.....
Wake.....Survey.....	Wake Forest-Durham.....	300.00	.....
Wake.....481.....	R. R.....	592.22	.....
Wake.....483.....	C P. & L. Co.....	121.03	.....
Wake.....483.....	City of Raleigh.....	3,828.27	.....
Wake.....484.....	S. A. L. Ry.....	7,265.39	.....
Wake.....487-A.....	County.....	41,500.00	.....
Wake.....487-A.....	N. & S. Ry.....	6,117.48	.....
Wake.....Annie Lee Road.....	State of North Carolina.....	2,684.20	.....
Davidson.....523.....	W.-S. & Southbound Ry.....	9,591.39	.....
Guilford.....532-B.....	County.....	15,504.47	.....
Guilford.....537-B.....	City of Greensboro.....	500.00	.....
Guilford.....537-C.....	City of Greensboro, County, and Individuals.....	25,000.00	.....
Guilford.....539.....	County.....	10,174.44	.....
Montgomery.....558.....	N. & S. Ry.....	7,460.94	.....
Moore.....569.....	S. A. L. Ry.....	354.84	.....
Randolph.....580-B.....	Town of Randleman.....	8,153.16	.....
Rockingham.....589.....	County.....	31,600.00	.....
Rockingham.....591.....	N. & W. Ry.....	35,360.00	9,360.00
Anson.....607.....	Winston-Salem Southbound Ry.....	3,480.10	.....
Anson.....608.....	County.....	100.00	.....
Anson.....609.....	S. A. L. Ry.....	10,245.00	.02
Cabarrus.....617.....	County.....	293,700.00	.....
Catawba.....629.....	County.....	75,000.00	.....
Gaston.....633-A-633-B.....	County.....	177,695.15	.....
Gaston.....634.....	County.....	171,170.00*	.....
Gaston.....6300.....	Southern Ry.....	30,406.77	.....
Gaston.....6300.....	City of Gastonia.....	15,203.38	.....
Gaston.....635.....	Southern Ry.....	10,500.00	.....
Iredell.....638.....	Town of Mooresville.....	405.49	.....
Iredell.....641.....	County.....	402,260.00*	.....
Iredell.....643.....	County.....	323,849.63	48,849.63
Iredell.....641 Ext.....	County.....	82,280.00*	.....
Lincoln.....646-B-648-B.....	County.....	125,000.00	.....
Mecklenburg.....654.....	Town of Davidson.....	62.32	.....
Mecklenburg.....659-659-A-659-B.....	County.....	24,262.83	24,262.83
Mecklenburg.....659-659-A-659-B.....	County.....	305,030.00*	.....
Richmond.....6640.....	County.....	11,875.00	.....

*Represents construction values paid for by contributor and turned over to the State.



OLD FORT-RIDGECREST HIGHWAY—ROUTE 10

SCHEDULE 1—Continued

Project	Contributor	Donation Agreement	Amount Unpaid
Richmond.....6640.....	Town of Rockingham.....	\$ 11,875.00	\$.....
Richmond.....6640.....	S. A. L. Ry.....	3,964.23	.....
Rowan.....669.....	County.....	25,734.00	.....
Rowan.....6690.....	Town of Cleveland.....	3,200.00	.....
Rowan.....6690.....	Southern Ry.....	4,750.00	.....
Rowan.....671.....	.....	585.06	.....
Rowan.....673.....	Tallassee Power Company.....	25,736.99	.....
Scotland.....677.....	County.....	125,000.00	.....
Scotland.....681.....	County.....	34,959.82*	.....
Stanly-Montgomery.....683.....	Carolina Power & Light Co.....	350,000.00	.....
Stanly.....685.....	W.-S. Southbound Ry.....	14,790.00	.....
Caldwell.....720-B.....	Southern Power Co.....	85,000.00	85,000.00
Caldwell.....720-C.....	County.....	200,000.00	.....
Forsyth.....740-745.....	County.....	229,476.35*	.....
Forsyth.....740.....	Town of Kernersville.....	1,428.10	.....
Forsyth.....740.....	Southern Ry.....	4,646.86	.....
Forsyth.....743-744.....	County.....	15,000.00*	.....
Forsyth.....743-744.....	County.....	431,970.00	.....
Burke.....811-B.....	R. R.....	9,236.87	.....
Burke.....813.....	County.....	1,850.00	.....
Burke.....817.....	Southern Ry.....	3,720.88	.....
Burke.....Linville Mt. Survey	Triplett & Etheridge.....	1,341.14	1,341.14
Cleveland.....824.....	S. A. L. Ry.....	4,460.20	.....
Henderson.....832.....	County.....	23,574.92	.....
Henderson.....836-B-837-B.....	County.....	147,000.00	.....
Henderson.....837.....	County.....	70,000.00*	.....
Henderson.....840.....	Southern Ry.....	11,900.00	.....
McDowell.....843.....	Southern Ry.....	5,500.00	.....
McDowell.....847.....	County.....	118,770.40	.....
McDowell.....848.....	County.....	2,337.04	.....
McDowell.....849-A.....	Southern Ry.....	9.00	.....
McDowell.....851.....	Federal Forest Survey.....	29,267.85	.....
McDowell.....851.....	Buck Creek Dev. Co.....	21,759.94	.04
McDowell.....851.....	County.....	200,000.00	.....
Mitchell.....857.....	County.....	35,000.00	.....
Mitchell.....858.....	C. C. & O. Ry.....	6,789.79	.....
Mitchell.....861.....	County.....	6,442.82	.....
Mitchell.....862.....	County.....	38,000.00	38,000.00
Rutherford.....875.....	R. R.....	3,107.98	3,107.98
Rutherford.....876.....	Forest City.....	59.50	.....
Rutherford.....882.....	Towns of Cliffside, Avondale and Caroleen.....	39,849.02	.....
Rutherford.....887.....	Chimney Rock Company.....	5,961.80	.....
Yancey.....889.....	Federal Forest Survey.....	20,000.00	.....
Yancey.....889.....	County.....	100,000.00	.....
Yancey.....891.....	County.....	80,000.00	.....
Buncombe.....907.....	Southern Ry.....	5,200.00	.....
Buncombe.....9060.....	County.....	35,000.00	.....
Buncombe.....908.....	County.....	26,981.00	.....
Buncombe.....9080.....	County.....	9,951.62	9,951.62
Graham.....931.....	Tallassee Power Company.....	82,503.40	82,503.40
Graham.....932-A.....	County.....	100,000.00	.....
Haywood.....944-B.....	County.....	45,972.41*	.....
Jackson.....952-B.....	County.....	95,600.00*	.....
Jackson.....952-A-953.....	County.....	285,765.05	.....
Jackson.....954.....	County, Dillsboro and Sylva.....	16,901.84	.....

*Represents construction values paid for by contributor and turned over to the State.

SCHEDULE 1—Continued

Project	Contributor	Donation Agreement	Amount Unpaid
Macon.....962-A.....	County.....	\$ 89,600.00	\$.....
Macon.....964.....	Town of Franklin.....	10,000.00	.....
Macon.....966-B.....	Town of Highlands.....	7,640.00	2,640.00
Macon.....965-A-B-966-A-B	County.....	120,390.19*	.....
Madison.....974.....	County.....	40,000.00	.....
Madison.....975.....	County.....	71,459.11	.....
Swain.....980.....	Western Union.....	67.11	.....
Swain.....980.....	Southern Ry.....	122.93	.....
Transylvania.....990.....	Southern Ry.....	3,177.54	.....
Transylvania.....993.....	County.....	9,390.68*	.....
Transylvania.....996.....	County.....	84,513.80*	.....
Transylvania.....996.....	Southern Ry.....	5,292.65	.....
Transylvania.....997.....	County.....	88,787.13*	.....
<i>Totals</i>.....	.....	\$ 10,679,606.52 (Exhibit "A")	\$ 346,348.50 (Exhibit "F")

*Represents construction values paid for by contributor and turned over to the State.

SCHEDULE 2
STATEMENT OF COUNTY LOANS
JUNE 30, 1927

COUNTY	LOAN CONTRACT			Unpaid on Contract	Paid on Contract	Repaid to Counties	Balance Not Repaid	REMARKS
	Original	Reduced	Present					
<i>First District:</i>								
Beaufort.....	\$ 256,000.00	\$	\$ 256,000.00	\$	\$ 256,000.00	\$ 256,000.00	\$	
Bertie.....	1,854.96		1,854.96		1,854.96	1,854.96		
Edgecombe.....	200,000.00		200,000.00		200,000.00	200,000.00		
Halifax.....	150,000.00		150,000.00		150,000.00	150,000.00		
Hyde.....	225,000.00		225,000.00		225,000.00	96,125.61*	128,874.39	
Nash.....	200,000.00		200,000.00		200,000.00	200,000.00		
Northampton.....	16,000.00		16,000.00		16,000.00	16,000.00		
Perquimans.....	200,000.00		200,000.00		200,000.00	200,000.00	200,000.00	
Tyrrell.....	156,000.00	County changed to donation					500,000.00	
Wilson.....	600,000.00		600,000.00	100,000.00	500,000.00			
<i>Second District:</i>								
Currier.....	440,000.00		440,000.00		440,000.00	149,800.00	290,200.00	
Craven.....	250,000.00		250,000.00		250,000.00	50,000.00	200,000.00	
Duplin.....	720,000.00		720,000.00		720,000.00	276,800.00	443,200.00	
Johnston.....	500,000.00		500,000.00		500,000.00	130,000.00*	370,000.00	
Jones.....	300,000.00		300,000.00		300,000.00	120,000.00	180,000.00	
Pamlico.....	200,000.00		200,000.00		200,000.00		200,000.00	
Wayne.....	800,000.00		800,000.00	300,000.00	500,000.00		500,000.00	
<i>Third District:</i>								
Columbus.....	346,000.00		346,000.00		346,000.00	122,525.27	223,474.73	
Cumberland.....	350,000.00		350,000.00		350,000.00	285,000.00	65,000.00	
Robeson.....	1,000,000.00	310,000.00	690,000.00		690,000.00	432,000.00*	258,000.00	\$175,000 treated as payment by County and repayment by State
Bladen.....	150,000.00		150,000.00		150,000.00	150,000.00		

SCHEDULE 2—Continued

COUNTY	LOAN CONTRACT			Unpaid on Contract	Paid on Contract	Repaid to Counties	Balance Not Repaid	REMARKS
	Original	Reduced	Present					
<i>Fourth District:</i>								
Chatham.....	\$ 30,000.00	\$	30,000.00	\$	30,000.00	\$ 30,000.00	\$	
Durham.....	120,000.00	.....	120,000.00	.....	120,000.00	120,000.00	.....	
Granville.....	220,000.00	.....	220,000.00	.....	220,000.00	110,000.00	110,000.00	
Vance.....	150,000.00	.....	150,000.00	.....	150,000.00	128,800.00	21,200.00	
Wake.....	1,300,000.00	.....	1,300,000.00	280,990.00	1,019,010.00	218,021.36	800,988.64	County paid \$280,990 in July and August, 1927
<i>Fifth District:</i>								
Caswell.....	75,000.00	.....	75,000.00	.....	75,000.00	75,000.00	.....	
Davidson.....	300,000.00	.....	300,000.00	.....	300,000.00	216,996.39	83,003.61	
Guilford.....	250,000.00	.....	250,000.00	.....	250,000.00	250,000.00	.....	
Randolph.....	185,000.00	.....	185,000.00	.....	185,000.00	.....	185,000.00	
Rockingham.....	30,600.00	.....	30,600.00	.....	30,600.00	.....	30,600.00	
<i>Sixth District:</i>								
Alexander.....	92,000.00	.....	92,000.00	.....	92,000.00	92,000.00	.....	
Anson.....	272,733.14	32,733.14	240,000.00	.....	240,000.00	213,200.00	26,800.00	
Catawba.....	200,000.00	Cancelled	.....	.....	.....	.....	.....	
Iredell.....	589,281.25	.....	589,281.25	.....	589,281.25	.....	589,281.25	
Richmond.....	300,000.00	.....	300,000.00	.....	300,000.00	243,400.00	56,600.00	
Rowan.....	665,000.00	.....	665,000.00	.....	665,000.00	249,688.89	415,311.11	
Scotland.....	400,000.00	87,141.11	312,858.89	.....	312,858.89	130,400.00	182,458.89	
Stanly.....	390,000.00	.....	390,000.00	.....	390,000.00	143,832.94	246,167.06	
Union.....	250,000.00	.....	250,000.00	.....	250,000.00	223,400.00	26,600.00	
<i>Seventh District:</i>								
Stokes.....	200,000.00	.....	200,000.00	.....	200,000.00	100,000.00	100,000.00	
Watauga.....	125,000.00	.....	125,000.00	.....	125,000.00	125,000.00	.....	

Eighth District:

Burke.....	33,000.00	33,000.00	33,000.00	33,000.00*	937,333.78	County paid \$10,700 in July, 1927
Henderson.....	1,100,000.00	1,050,000.00	1,039,300.00	101,960.22	43,596.78	
McDowell.....	250,000.00	250,000.00	250,000.00	206,403.22		
Mitchell.....	38,000.00	38,000.00	38,000.00	38,000.00		
Rutherford.....	950,000.00	950,000.00	771,400.00	236,000.00	535,400.00	County paid \$16,300 in July, 1927
<i>Ninth District:</i>						
Buncombe.....	493,019.00	478,981.00	478,981.00	354,200.00	124,781.00	
Clay.....	100,000.00	100,000.00	100,000.00	61,400.00*	38,600.00	
Graham.....	100,000.00	100,000.00	100,000.00	90,200.00	9,800.00	
Haywood.....	150,000.00	150,000.00	150,000.00	20,352.77	129,647.23	
Jackson.....	500,000.00	500,000.00	500,000.00	191,000.00	309,000.00	
Macon.....	325,000.00	325,000.00	325,000.00		325,000.00	
Madison.....	660,000.00	660,000.00	660,000.00	230,000.00	430,000.00	
Swain.....	158,960.00	158,960.00	158,960.00	45,100.00	113,859.80	
Tennessee.....	300,000.00	300,000.00	300,000.00	145,600.00	154,400.00	
<i>Totals</i>	\$.....	\$ 17,513,536.10	\$ 16,643,246.10	\$7,059,061.83	\$9,584,184.27	
			(Exhibit "F")		(Exhibit "F'")	

*Funds have been reserved for repayment, the remittances will be made when it is ascertained whether the payment is to be made direct to County or to the Sinking Fund Commission for the County.

SCHEDULE 3

STATEMENT OF TRANSACTIONS BETWEEN CONSTRUCTION FUND AND
MAINTENANCE FUND

FOR PERIOD MARCH 4, 1921—JUNE 30, 1927

	March 4, 1921 June 30, 1926	For Year Ended June 30, 1927	March 4, 1921 June 30, 1927
CHARGES			
Expenses of Organization, Overhead and Indirect Construction transferred to Maintenance Fund...	\$ 2,699,325.43	\$ 119,455.45	\$ 2,818,780.88
Maintenance Surplus transferred to Construction Fund.....	4,574,828.25	5,673,374.97	10,248,203.22
Accrued Interest on Bonds Sold.....	61,250.38	-----	61,250.38
<i>Total Charges</i>	\$ 7,335,404.06	\$ 5,792,830.42	\$ 13,128,234.48
CREDITS			
Supplies and Labor furnished projects.....	787,859.20	540,246.96	1,328,106.16
Liability of 1919 Construction Fund for cash advanced by Maintenance Fund assumed by 1921 Construction Fund	625,000.00	-----	625,000.00
Cash Payments.....	1,031,004.35	4,363,515.71	5,394,520.06
<i>Total Credits</i>	\$ 2,443,863.55	\$ 4,903,762.67	\$ 7,347,626.22
<i>Due by Maintenance Fund</i>	\$ 4,891,540.51	\$ 889,067.75	\$ 5,780,608.26 (Exhibit "F")

SCHEDULE 4

COUNTY LOANS AUTHORIZED FOR REPAYMENT

JUNE 30, 1927

County	Amount	Remarks
Hyde.....	\$ 96,125.61	-----
Halifax.....	150,000.00	Paid July 23, 1927
Johnston.....	130,000.00	-----
Jones.....	120,000.00	Paid July 7, 1927
Robeson.....	257,000.00	-----
Richmond.....	243,400.00	Paid July 7, 1927
Watauga.....	21,500.00	Paid July 7, 1927
Stokes.....	50,846.78	Paid July 25, 1927
Burke.....	33,000.00	-----
Mitchell.....	38,000.00	Paid July 8, 1927
Clay.....	61,400.00	-----
Haywood.....	20,352.77	Paid August 4, 1927
<i>Total—(Exhibit "F")</i>	\$1,221,625.16	-----

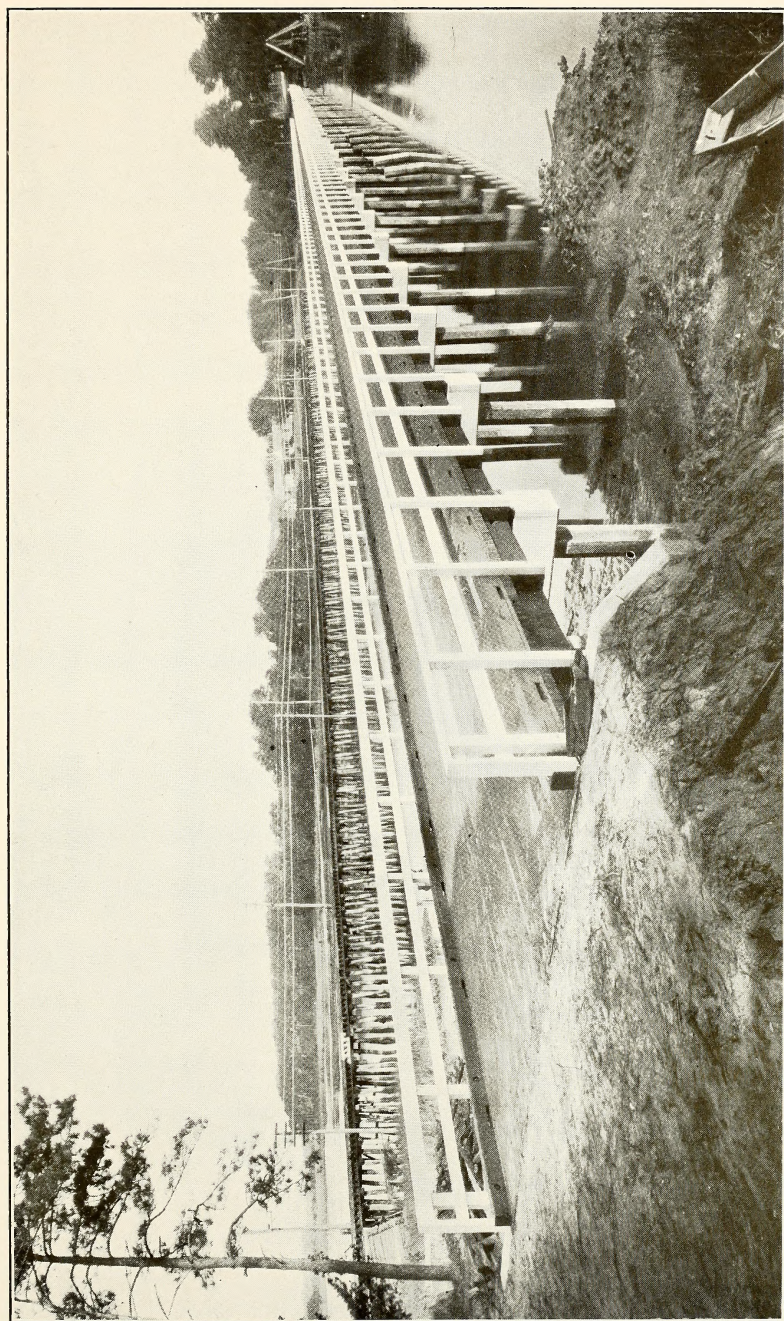
NOTE: Loans not marked paid are awaiting advice of the State Sinking Fund Commission as to whether the repayment is to be made direct to the County or to the State Sinking Fund Commission for the County.

SCHEDULE 5
ALLOTMENTS

	State and Federal	Donations	Loans	Total Allotments	Expenditures (Schedule 5-A)	Balance to Complete
<i>Summary of All Districts:</i>						
District 1	\$ 20,003,913.82	\$ 2,410,197.75	\$ 928,874.39	\$ 23,342,985.96	\$ 21,518,094.24	1,924,891.72
District 2	11,453,614.50	1,947,479.23	2,483,400.00	15,884,493.73	14,461,303.59	1,423,190.14
District 3	12,170,644.59	105,781.74	546,474.73	12,822,901.06	11,769,365.64	1,053,535.42
District 4	13,853,061.99	221,550.87	1,213,178.64	15,287,791.50	13,109,138.96	2,178,652.54
District 5	12,897,240.96	143,699.24	298,603.61	13,339,543.81	12,299,757.19	1,039,786.62
District 6	15,488,672.49	2,663,120.77	1,543,218.31	19,695,011.57	17,949,323.32	1,745,688.25
District 7	11,249,024.20	967,521.31	100,000.00	12,316,545.51	11,155,274.10	1,161,271.41
District 8	9,540,923.29	985,339.15	1,705,636.56	12,232,499.00	10,739,383.54	1,493,115.46
District 9	11,345,006.20	1,234,316.46	1,635,088.03	14,214,410.69	13,408,772.34	805,638.35
<i>Total All Districts</i>	\$ 118,002,402.04 (Exhibit "A")	\$ 10,679,606.52 (Exhibit "A")	\$ 10,454,474.27 (Exhibit "A")	\$ 139,136,182.83	\$ 126,410,412.92	\$ 12,725,769.91 (Exhibit "F")

SCHEDULE 5-A

	Location	Plans Advertising	Engineering Inspection	General Supervision	Testing	Construction	Total Expenditures
<i>Summary of All Districts:</i>							
District No. 1.....	\$ 104,775.32	\$ 67,357.11	\$ 1,049,450.33	\$ 71,843.46	\$ 88,773.83	\$20,135,894.19	\$ 21,518,094.24
District No. 2.....	59,743.37	48,154.23	663,833.62	47,004.60	54,509.56	13,588,058.21	14,461,303.59
District No. 3.....	68,211.91	32,800.37	640,277.22	65,005.94	50,026.70	10,913,043.50	11,769,365.64
District No. 4.....	127,082.31	47,433.32	662,196.85	40,878.55	64,478.77	12,167,059.16	13,109,138.96
District No. 5.....	72,890.20	39,704.29	603,352.94	38,910.98	59,816.68	11,485,082.10	12,299,757.19
District No. 6.....	127,534.62	62,156.34	863,675.25	51,521.40	96,487.01	16,747,948.70	17,949,323.32
District No. 7.....	102,620.83	36,763.80	697,721.68	34,008.50	46,547.53	10,237,611.76	11,155,274.10
District No. 8.....	134,268.72	54,849.70	744,664.79	35,462.71	38,003.28	9,732,134.34	10,739,383.64
District No. 9.....	117,418.67	57,346.81	938,138.14	25,872.06	36,976.16	12,233,020.50	13,408,772.34
<i>Total All Districts.....</i>	\$ 914,545.95	\$ 446,575.97	\$ 6,863,310.82	\$ 410,508.20	\$ 535,619.52	\$117,239,852.46	\$ 126,410,412.92 (Schedule 5)



CREOSOTED TIMBER BRIDGE NEAR WILMINGTON

MAINTENANCE FUND COMMENTS

The operations of the Maintenance Fund for the year ended June 30, 1927, are contained in Exhibit "A," and the financial condition at June 30, 1927, in Exhibit "B"; the discussion of each of the exhibits follow:

EXHIBIT "A"

The sources of revenue for the year are given below in comparison with the previous year:

	<i>Year Ending June 30, 1927</i>	<i>Year Ending June 30, 1926</i>
Automobile Licenses Net -----	\$ 5,893,609.78	\$ 5,292,168.24
Gasoline Tax Net -----	8,120,604.29	6,926,869.61
Net collections -----	\$ 14,014,214.07	\$ 12,219,037.85
Deduct: License Bureau Expenses -----	397,288.49	313,980.25
Net Revenue from License and Gas Tax --	\$ 13,616,925.58	\$ 11,905,057.60
Sundry Revenue -----	2,949.48	2,460.81
Net Profit from Pipe Plant -----	20,146.79	7,574.20
Total Revenue -----	\$ 13,640,021.85	\$ 11,915,092.61

The principal revenue is derived from a four cents gasoline tax and the sale of license plates, both being collected by the License Bureau, which is a branch of the Department of Revenue. The expenses of the bureau are limited by law to 4% of the collections and are subject to the control of the Highway Commission. The revenue above does not include the licenses sold in June for the ensuing year, this being deferred for the year in which the licenses are effective.

Sundry revenue results from sales of junk and material.

The profit from the Pipe Plant is the result of the operations reflected in Schedule 1. The accounting department renders detailed cost statements showing production and unit manufacturing costs of each class of production. The plant operated for only part of the previous year.

The revenue for the year was used for the following purposes and is shown in comparative form in the following table:

	<i>Year Ending June 30, 1927</i>	<i>Year Ending June 30, 1926</i>
Administrative Expenses -----	\$ 243,747.71	\$ 257,548.56
Interest -----	3,825,138.98	3,402,570.77
General Maintenance -----	243,123.56	229,292.58
Direct Maintenance -----	2,798,344.35	3,611,107.25
Betterments -----	674,767.27	-----
Employees' Liability Insurance -----	62,069.56	18,602.58
Indirect Construction Charges -----	119,455.45	134,312.03
Applied to Construction During Year -----	1,318,352.20	771,445.78
Surplus Transferred to Construction -----	4,355,022.77	3,490,213.06
	\$ 13,640,021.85	\$ 11,915,092.61

It will be noted that the items that are not fixed and are subject to management control are less than the previous year. The full premium of liability insurance has been included in the year 1927; in the previous year the insurance was not in effect for the full year.

Sinking fund contributions are not required until the year ended June 30, 1929, having been anticipated until that time according to section 27 of the State Road Act.

As in the previous year, the surplus remaining after providing for the full expenses was transferred to the Construction Fund.

EXHIBIT "B"

The financial condition of the Maintenance Fund at June 30, 1927, is herein presented.

The assets consist of—

Cash	\$ 5,170,282.69
Due by State Departments	1,701.53
Cash Advances for Working Funds	39,200.00
Inventories of Materials and Supplies	767,690.63
Pipe Plant after Depreciation	20,576.03
Total Assets	\$ 5,999,450.88

Cash is in agreement with the State Treasurer's records when outstanding checks are considered and an entry of \$35,616.50 made by the State Treasurer in August for an item incorrectly charged to the fund by him in June, 1927.

State Department's charges unpaid are all in 1927, except \$568.82 owed by the Bureau of Buildings and Grounds for work on the Governor's Mansion, which dates from June, 1926.

Cash advances for working funds are composed of advances to employees of \$14,200.00, which was confirmed by direct certificate from the employees responsible for same, and payroll imprest fund of \$25,000.00 verified by the bank records.

Inventory of motor parts and accessories is located at

Truck Field	\$ 814,068.93
District Repair Shops	80,739.30
Total	\$ 894,808.23

The book-carrying value of the asset is \$164,998.92 less than the detail inventory. Pipe Plant Inventory is turning rapidly by sales of the finished product to contractors engaged on State construction work.

The Pipe Plant cost \$31,076.03, against which cost a depreciation reserve of \$10,500.00 has been provided. The cost of the plant will be returned in four years through the operations if the present rate of depreciation is continued.

Such assets as Automobiles, Road Machinery and Equipment are not carried in the books. A detailed inventory of these assets is kept showing their location.

The liabilities to be liquidated are—

Accounts Payable	\$ 18,215.08
Reserved for Uncompleted Betterments	199,949.33
Reserved for Unpaid Checks	678.21
Due to Construction Fund	5,780,608.26
Total Liabilities	\$ 5,999,450.88

The accounts payable have never contained the June purchases unpaid at the end of the fiscal year, except those of the Pipe Plant. At June 30, 1927,

we included in the accounts payable \$16,315.50, representing License Bureau Expenses unpaid at that date, as the expenses of this bureau beginning July 1, 1927, are handled under budget appropriation.

Uncompleted Betterments are detailed by sections in Schedule 3. The estimate of the cost of uncompleted work is in accordance with engineer's estimates.

Reserve for unpaid checks is the liability for checks outstanding at the time working fund advances were closed.

The amount due to the Construction Fund represents the principal liability, the transactions explaining same being shown in Schedule 3 of the construction section of this report.

Summarizing this exhibit, we believe as a continuing operation the assets will liquidate the liabilities. Considered from a liquidating viewpoint, it is our opinion liabilities could be fully paid when the vast amount of equipment not carried at a book value is considered.

EXHIBIT "A"

MAINTENANCE FUND—REVENUE AND EXPENSE

FOR YEAR ENDED JUNE 30, 1927

REVENUE			
<i>From License Bureau—Dept. of Revenue:</i>			
<i>Automobile Licenses:</i>			
Gross Collections	\$ 5,929,747.04		
Less: Refunds and Cancellations	36,137.26		
Net License Collections		\$ 5,893,609.78	
<i>Gasoline Tax:</i>			
Gross Collections	\$ 8,495,701.03		
Less: Refunds	375,096.74		
Net Gasoline Tax		8,120,604.29	
Total Net Collections		\$14,014,214.07	
Deduct: License Bureau Expenses		397,288.49	
Net Revenue from License Bureau			\$13,616,925.58
Sundry Revenue			2,949.48
Net Profit from Pipe Plant (Schedule 1)			20,146.79
Total Revenue			\$13,640,021.85
EXPENSES			
<i>Administrative:</i>			
Officials' Salaries and Expenses	\$ 40,647.99		
Office Salaries	124,895.09		
Office Expense	31,666.81		
Office Supplies	8,153.08		
Furniture and Fixtures	7,350.57		
Traveling and Incidental	4,630.23		
Highway Building Expense	14,536.93		
Highway Building, Remodeling and Repairs	11,867.01	\$ 243,747.71	
<i>Interest:</i>			
On Bonds and Notes Anticipatory of Bonds	4,014,319.43		
Less: Accrued Interest on Bonds Sold	189,180.45	3,825,138.98	
<i>Maintenance:</i>			
<i>General:</i>			
Equipment	108,871.18		
Material	22,266.83		
General Unallocated	30,572.58		
Camp Equipment	875.00		
Private Car Mileage	54,801.26		
New Garage	25,736.71		
	\$ 243,123.56		
Direct District Maintenance (Schedule 2)	2,798,344.35		
Total Maintenance		3,041,467.91	
<i>Betterments (Schedule 3):</i>			
Spent in Year	\$ 474,817.94		
Reserved for Completion	199,949.33	674,767.27	
Employees Liability Insurance		62,069.56	

EXHIBIT "A"—Continued

EXPENSES

*General Construction Charges Transferred to Maintenance
Fund in Year:*

Testing.....	\$	7,850.46		
Blue Printing.....		2,734.46		
Experimental Road Work.....		7,545.27		
Technical Supplies.....		14,018.05		
Equipment.....		1,050.00		
Bond Sale Expense.....		46,954.22		
Furniture and Fixtures.....		875.55		
General and Overhead.....		38,427.44	\$	119,455.45
<i>Total Expenses.....</i>				<i>\$ 7,966,646.88</i>
<i>Excess of Revenue Available for Construction Fund.....</i>				<i>\$ 5,673,374.97</i>
<i>Applied to Construction Projects During Year (Schedule 4).....</i>				<i>1,318,352.20</i>
<i>Surplus Transferred to Construction Fund.....</i>				<i>\$ 4,355,022.77</i>

EXHIBIT "B"

MAINTENANCE FUND—BALANCE SHEET

JUNE 30, 1927

ASSETS			
<i>Cash:</i>			
With State Treasurer.....	\$ 6,370,017.53		
Less: Cash deferred until ensuing year, represented by collection of licenses expiring Dec. 31, 1927.....	1,199,734.84		
<i>Cash Available June 30, 1927</i>		\$ 5,170,282.69	
<i>Due by State Departments for Repairs and Supplies</i>		1,701.53	
<i>Cash Advances for Working Funds:</i>			
Highway Employees.....	\$ 14,200.00		
Commercial National Bank—Pay Roll Fund.....	25,000.00		39,200.00
<i>Inventories of Materials and Supplies:</i>			
<i>Motor Equipment Department:</i>			
Parts and Accessories.....	\$ 894,908.23		
Less:			
Reserve for obsolete parts and price declines.....	164,998.92	729,909.31	
<i>Pipe Plant:</i>			
Finished Pipe.....	31,354.66		
Raw Materials.....	6,426.66	37,781.32	767,690.63
<i>Pipe Plant:</i>			
Cost.....	31,076.03		
Less: Reserve for Depreciation.....	10,500.00	20,576.03	
			\$ 5,999,450.88
LIABILITIES			
<i>Accounts Payable:</i>			
For Pipe Plant Materials.....	1,899.58		
Motor Vehicle Bureau Expenses.....	16,315.50	18,215.08	
<i>Reserve for Uncompleted Betterments (Schedule 3)</i>		199,949.33	
<i>Reserve for Unpaid Checks</i>		678.21	
<i>Due to Construction Fund</i>			
(See Schedule 3 in Construction Section).....		5,780,608.26	
			\$ 5,999,450.88

SCHEDULE 1

MANUFACTURING AND PROFIT AND LOSS STATEMENT OF PIPE PLANT

FOR YEAR ENDED JUNE 30, 1927

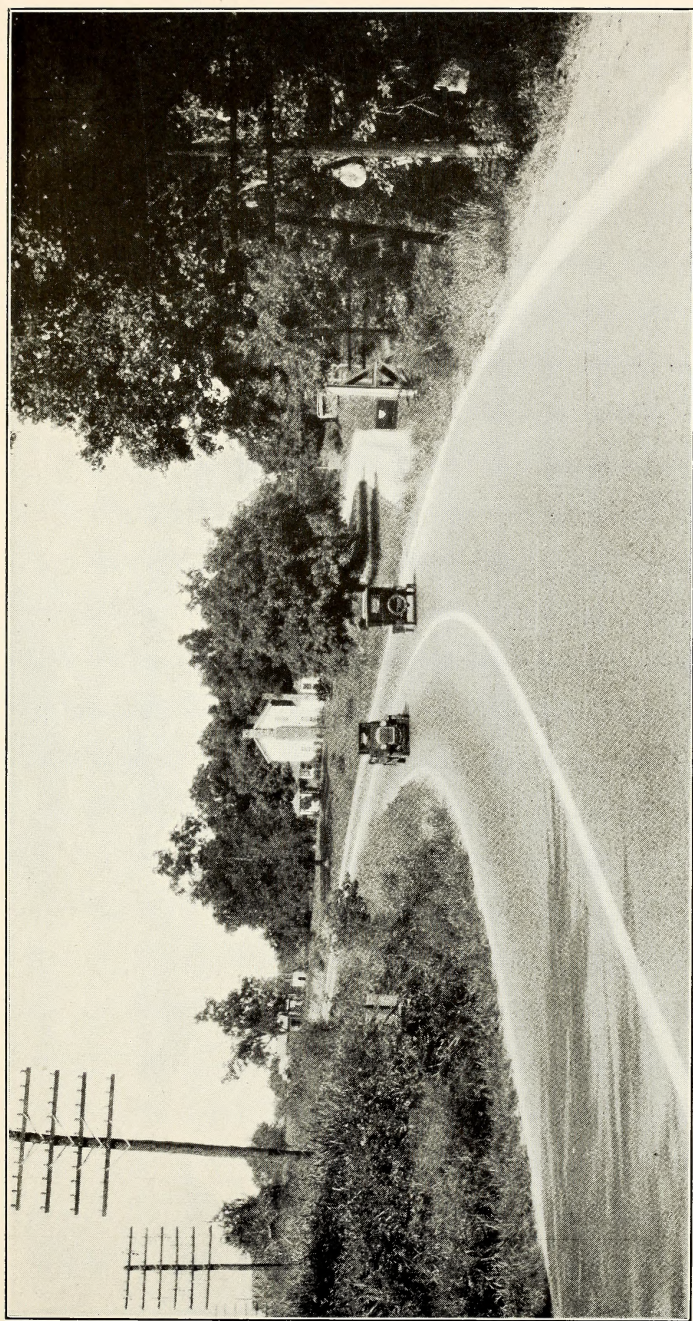
Sales.....		\$ 132,051.27
Cost of Sales:		
Manufacturing Costs:		
Materials:		
Inventory 6-30-26.....	\$ 5,373.10	
Purchases.....	75,224.01	
	\$ 80,507.11	
Less: Inventory 6-30-27.....	6,426.66	
	\$ 74,170.45	
Less: Raw Material Sold.....	845.15	
Consumed.....		\$ 73,325.30
Labor.....		14,986.12
Supplies.....		4,166.77
Indirect:		
Supervision.....	\$ 3,809.49	
Repairs.....	2,779.97	
General Expense.....	2,192.77	
Plant Depreciation.....	6,000.00	14,782.23
Gross Manufacturing Cost.....		\$ 107,260.42
Less: Defective Pipe Sold.....		91.95
Net Manufacturing Cost.....		\$ 107,168.47
Inventory Finished Pipe:		
At June 30, 1926.....	\$ 10,545.17	
At June 30, 1927.....	31,354.66	20,809.49
Cost of Sales Before Delivery.....		\$ 86,358.98
Outgoing Freight.....		25,545.50
Cost of Sales—Net.....		111,904.48
Net Profit (Exhibit "A").....		\$ 20,146.79

SCHEDULE 2

SUMMARY OF

FOR YEAR ENDED

DISTRICT OR SECTION	ROADS		BRIDGES		Through Detour	Claim Adjust- ments	Truck Supplies
	Labor	Material	Labor	Material			
1	\$ 169,255.27	\$ 62,010.63	\$ 18,427.56	\$ 7,952.87	\$	\$ 590.36	\$ 85,431.77
2	104,923.38	15,974.07	11,047.60	14,195.28	8,326.35	275.00	53,293.47
3	139,176.72	24,382.86	15,595.43	9,200.05	1,938.35	113.36	48,437.55
4	126,196.59	18,628.83	2,076.20	4,782.46	1,521.95	131.74	51,387.80
5	120,451.84	16,475.94	2,497.55	3,557.90	5,520.20	572.30	44,093.97
6	119,642.26	10,315.48	9,593.51	10,712.61	5,675.92	132.43	54,184.68
7	182,455.88	49,076.36	10,176.51	13,663.49	6,995.69	352.36	54,215.68
8	207,524.82	43,534.44	15,061.87	14,037.99	3,811.20	-----	49,108.41
9	189,894.01	42,335.00	9,949.53	12,204.43	6,172.70	16.85	51,722.94
Totals ...	\$1,359,520.77	\$282,733.61	\$ 94,425.76	\$ 90,307.08	\$ 39,962.36	\$ 2,184.40	\$ 491,876.27



GREENSBORO-HIGH POINT BOULEVARD—ROUTE 10

SCHEDULE 2

DISTRICT MAINTENANCE

JUNE 30, 1927

Truck Expense	Gas and Oil	Sundry Repairs and Supplies	Marking	Supervision	Total	Deduct Betterment Expendi- tures	Ordinary District Mainte- nance
\$ 45,494.36	\$ 65,987.51	\$ 5,730.88	\$ 7,063.57	\$ 17,509.28	\$ 485,454.06	\$ 91,763.07	\$ 393,690.99
35,830.62	28,278.66	661.24	3,542.89	11,419.98	287,768.54	2,982.25	284,786.29
28,129.49	40,927.77	3,594.46	4,249.05	12,088.83	327,833.92	63,916.51	263,917.41
35,428.09	39,786.88	3,165.77	7,837.98	8,448.58	299,392.87	27,725.00	271,667.87
28,692.67	45,454.34	1,891.49	19,664.20	11,960.05	300,832.45	14,900.00	285,932.45
32,171.27	42,276.47	2,434.80	22,320.88	14,237.37	323,697.68	17,500.00	306,197.68
33,758.96	38,438.92	3,436.48	12,045.87	15,623.96	420,240.16	37,865.00	382,375.16
27,364.07	31,870.38	2,919.29	9,580.18	13,104.28	417,916.93	116,618.76	301,298.17
29,551.48	35,728.99	6,245.89	15,598.58	10,605.28	410,025.68	101,547.35	308,478.33
\$296,421.01	\$368,749.92	\$ 30,080.30	\$101,903.20	\$114,997.61	\$3,273,162.29	\$474,817.94	2,798,344.35 (Ex. "A")

SCHEDULE 3

DETAIL OF BETTERMENTS

FOR YEAR ENDED JUNE 30, 1927

	Authorized	Reserved for Uncompleted Work
<i>First District:</i>		
Bertie.....122.....	\$ 15,000.00	\$ 15,000.00
Edgecombe.....137.....	4,462.50	4,462.50
Gates.....109.....	9,508.90	
Gates.....110.....	7,488.02	
Martin.....125.....	4,140.06	
Martin.....126.....	3,759.86	
Nash.....137.....	760.00	
Nash.....146.....	2,000.00	
Northampton.....114.....	5,775.00	
Northampton.....115.....	36,225.00	
Pasquotank.....104.....	6,698.58	
Pasquotank.....105.....	2,511.17	
Pitt.....141.....	12,896.48	
Wilson.....135.....	2,835.00	2,835.00
Wilson.....140.....	3,045.00	3,045.00
<i>Total</i>	\$ 117,105.57	\$ 25,342.50
<i>Second District:</i>		
Greene.....210-B.....	1,815.00	1,720.00
Sampson.....219.....	2,887.25	
<i>Total</i>	\$ 4,702.25	\$ 1,720.00
<i>Third District:</i>		
Bladen.....313.....	14,400.00	
Bladen.....314.....	13,500.00	
Bladen.....317.....	3,548.74	
Bladen.....339.....	10,302.95	500.00
Onslow.....337.....	20,567.35	5,000.00
Pender.....327.....	9,000.00	9,000.00
Robeson.....317.....	7,097.47	
<i>Total</i>	\$ 78,416.51	\$ 14,500.00
<i>Fourth District:</i>		
Chatham.....412.....	7,400.00	
Chatham.....417.....	2,100.00	1,500.00
Chatham.....524.....	5,100.00	5,100.00
Harnett.....431.....	10,500.00	10,500.00
Harnett.....433.....	6,750.00	
Lee.....433.....	6,750.00	
Lee.....414.....	1,100.00	
Lee.....417.....	5,125.00	
Lee.....531.....	4,500.00	4,500.00
<i>Total</i>	\$ 49,325.00	\$ 21,600.00

SCHEDULE 3—Continued

	Authorized	Reserved for Uncompleted Work
<i>Fifth District:</i>		
Caswell.....517.....	\$ 10,000.00	\$ 10,000.00
Caswell.....534.....	6,300.00	6,300.00
Montgomery.....505.....	6,000.00	4,500.00
Montgomery.....529.....	11,000.00	11,000.00
Moore.....507.....	16,650.00	10,000.00
Moore.....528.....	19,700.00	19,700.00
Moore.....529.....	8,500.00	8,500.00
Moore.....531.....	12,300.00	6,300.00
Moore.....532.....	7,000.00	7,000.00
Randolph.....505.....	3,000.00	2,250.00
Randolph.....524.....	16,700.00	16,700.00
<i>Total</i>	\$ 117,150.00	\$ 102,250.00
<i>Sixth District:</i>		
Richmond.....681.....	10,000.00	-----
Stanly.....641.....	7,500.00	-----
<i>Total</i>	\$ 17,500.00	\$ -----
<i>Seventh District:</i>		
Caldwell.....730.....	19,690.00	9,845.00
Stokes.....719.....	8,550.00	1,500.00
Stokes.....720.....	3,610.00	-----
Surry.....721.....	14,725.00	7,365.00
Watauga.....710.....	10,000.00	-----
<i>Total</i>	\$ 56,575.00	\$ 18,710.00
<i>Eighth District:</i>		
Avery.....815.....	8,752.83	-----
Avery.....817.....	432.00	432.00
Avery.....821.....	6,681.31	-----
Avery.....874.....	2,126.65	-----
Avery.....875.....	1,093.78	-----
Avery.....883.....	5,000.00	-----
Burke.....808.....	1,500.00	-----
Burke.....809.....	1,020.00	1,020.00
Burke.....812.....	5,955.00	-----
Burke.....854.....	9,459.90	-----
Cleveland.....814.....	6,000.00	3,239.55
Henderson.....807.....	2,222.50	-----
Henderson.....842.....	1,200.00	-----
Henderson.....912.....	8,000.00	-----
McDowell.....810.....	2,127.28	2,127.28
McDowell.....855.....	1,294.62	-----
McDowell.....866.....	20,020.80	-----
Mitchell.....817.....	648.00	648.00
Rutherford.....805.....	10,267.74	-----
Yancey.....818.....	10,658.18	-----
Yancey.....819.....	1,568.53	-----
Yancey.....820.....	3,356.47	-----
Yancey.....891.....	8,200.00	-----
Yancey.....892.....	3,500.00	-----
<i>Total</i>	\$ 124,085.59	\$ 7,466.83

SCHEDULE 3—Continued

	Authorized	Reserved for Uncompleted Work
<i>Ninth District:</i>		
Buncombe.....901.....	\$ 4,084.95	\$
Buncombe.....902.....	1,876.50	.....
Buncombe.....909.....	5,192.34	.....
Buncombe.....915.....	5,091.85	.....
Buncombe.....811-B.....	4,125.00	.....
Cherokee.....908.....	9,350.00	.....
Graham.....906.....	5,295.32	.....
Haywood.....903.....	3,663.54	.....
Jackson.....903.....	4,356.46	.....
Jackson.....904.....	10,970.00	4,100.00
Jackson.....905.....	4,179.24	.....
Macon.....906.....	3,354.94	.....
Macon.....916.....	4,260.00	4,260.00
Madison.....911.....	17,317.01	.....
Madison.....926.....	1,160.00	.....
Madison.....932.....	2,552.30	.....
Madison.....936.....	1,218.40	.....
Swain.....905.....	4,750.76	.....
Swain.....906.....	9,108.74	.....
Transylvania.....914.....	8,000.00	.....
<i>Total</i>	\$ 109,907.35	\$ 8,360.00
<i>Total All Districts</i>	\$ 674,767.27 (Exhibit "A")	\$ 199,949.33 (Exhibit "B")

Resume:

Spent during year.....\$ 474,817.94
 Reserved for completion.....199,949.33

Total Authorized.....\$ 674,767.27

SCHEDULE 4

ALLOTMENTS TO CONSTRUCTION PROJECTS FROM MAINTENANCE FUND

DURING YEAR ENDED JUNE 30, 1927

	Alotments	District Total
<i>First District:</i>		
Beaufort.....105-D.....	\$ 9,541.40	
Bertie.....109.....	43,611.35	
Camden.....110.....	98,603.00	
Chowan.....116.....	14,786.75	
Halifax.....135.....	6,500.00	
Northampton.....165.....	3,000.00	
Tyrrell.....194.....	10,553.93	\$ 186,596.43
<i>Second District:</i>		
Craven.....2040.....	5,600.00	
Greene.....229.....	4,262.50	9,862.50
<i>Third District:</i>		
New Hanover.....356.....	41,893.39	
New Hanover.....357.....	3,500.00	
Onslow.....366-B.....	12,000.00	
Onslow.....367-B.....	24,000.00	81,393.39
<i>Fourth District:</i>		
Chatham.....4000.....	83,706.68	
Harnett.....4361.....	13,640.00	
Lee.....4450.....	15,500.00	
Orange.....459-A-B.....	27,000.00	
Person.....467.....	30,000.00	
Wake.....4790.....	2,475.00	
Warren.....496.....	800.00	173,121.68
<i>Fifth District:</i>		
Davidson.....519.....	15,369.00	
Guilford.....542.....	3,899.47	
Randolph.....584.....	37,508.08	56,776.55
<i>Sixth District:</i>		
Gaston-Mecklenburg6310.....	16,450.00	
Lincoln.....6450.....	5,576.80	22,026.80
<i>Seventh District:</i>		
Caldwell.....723.....	150,113.00	
Stokes.....749.....	11,825.00	
Wilkes.....778.....	194,714.41	
Wilkes.....781-B.....	3,207.49	359,859.90
<i>Eighth District:</i>		
Burke.....8090.....	8,118.00	
McDowell.....8470.....	40,000.00	
McDowell.....8540.....	3,853.41	
Polk.....867.....	152,942.13	
Rutherford.....872.....	7,500.00	
Rutherford.....874.....	112,379.41	324,792.95

SCHEDULE 4—Continued

	Allotments	District Total
<i>Ninth District:</i>		
Buncombe.....906-A.....	\$ 450.00	
Graham.....930-B.....	20,000.00	
Graham.....932-A.....	12,512.00	
Madison.....9700.....	67,760.00	
Madison.....975.....	3,200.00	\$ 103,922.00
<i>Total All Districts (Exhibit "A").....</i>	<i>.....</i>	<i>\$ 1,318,352.20</i>

REPORT ON AUDITS

For Year Ended June 30, 1928

HON. BAXTER, DURHAM, *State Auditor*,
Raleigh, North Carolina.

DEAR SIR:—In accordance with your directions we have audited the financial books and records of the North Carolina State Highway Commission for the fiscal year ended June 30, 1928.

The result of this examination is presented in this report, which we have arranged by sections as follows:

CONSTRUCTION FUND
MAINTENANCE FUND
CHOWAN BRIDGE FUND

These sections are indicated by projecting tabs and under each tab is placed an Index of the various Exhibits and Schedules, of the section, together with comments applicable thereto.

This arrangement conforms to the bookkeeping methods which meets the legal requirements as to treatment of fund accounting.

In addition to specific Fund Comments, we desire to make the following general statements:

The major operations of the Highway Commission are through two separate funds, to wit, Maintenance and Construction, which is in pursuance of the laws creating the Commission and prescribing its activities.

At present a minor operation of the Commission is the handling of the Chowan Bridge Fund and supervising its operation and maintenance. This is being done pursuant to special legislative act.

All operations are fully detailed and the status of each fund is shown in the appropriate section. This report as a whole, we believe, conveys sufficient information of the financial transactions of the Commission for the year just ended.

We found the records in excellent condition, and they contain complete information relative to the financial operations and condition of the Commission.

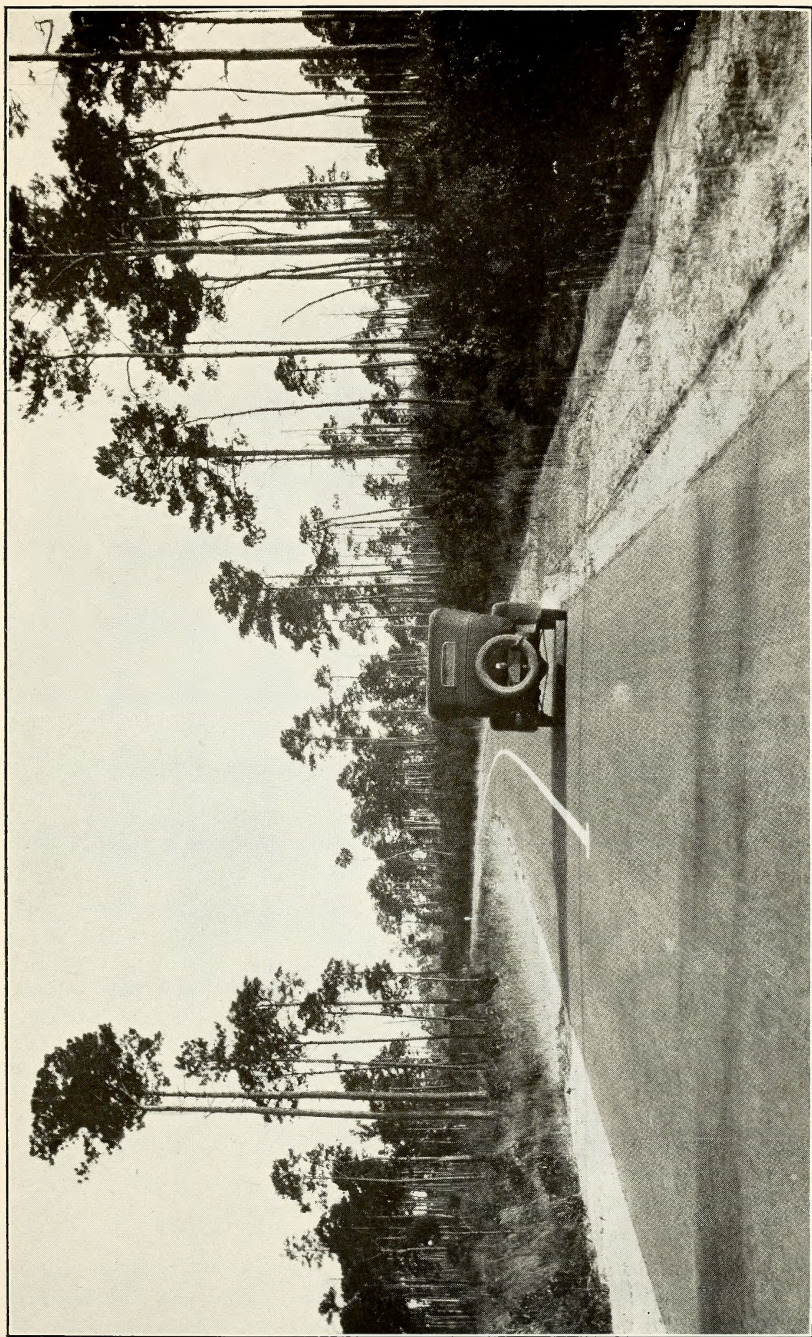
The accounting system in use is good and there exists an adequate internal check of all work.

The auditing and accounting departments are well organized and the personnel is efficient and loyal and manifests a fine spirit of coöperation.

We desire to take this opportunity to express our appreciation of all assistance and courtesy extended to us during the course of our audit.

Respectfully submitted,

DIXON, RUSS & CARTER,
Certified Public Accountants.



SAND ASPHALT CONSTRUCTION

CONSTRUCTION FUND COMMENTS

EXHIBIT "A"—BALANCE SHEET

The condition of the Construction Fund at June 30, 1928, is shown herein. The Fund Surplus or Available Revenue, to wit, \$13,991,983.85, represents the amount which would remain after full realization of all assets and the liquidation of all liabilities.

The assets to be realized consist of—

CASH: The amount with the State Treasurer was verified direct and is in accord with that official's records, after outstanding warrants are deducted.

Cash on deposit with various banks was reconciled with the banks. These funds are secured by surety bonds and State and Federal bonds and represent advances by certain counties for projects to be constructed under loan agreements. The funds are transferred to the State Treasurer as the work progresses. For details see Schedule A-1.

BONDS: This item represents the amount yet to be placed to the credit of the Commission's checking account from the proceeds of the last bond issue. The following is a reconciliation with the State Treasurer's records:

Balance on State Treasurer's books as shown by	
inspection of his records-----	\$ 1,563,623.88
Add: Bonds authorized but not sold-----	4,000,000.00
Balance as per Commission's books-----	\$ 5,563,623.88

U. S. Department of Agriculture:

This item is self explanatory. The records of this department are in agreement with the books of the Commission. This balance will be paid over to the State as work on approved projects is done.

Accounts Receivable:

This represents unpaid balances of charges for cement and pipe. These accounts are being realized as deductions are made from contractor's estimates for projects on which these materials are used. See Schedule A-2 for list of debtors and amount owing by each.

Unpaid Donation Agreements:

Schedule A-3 contains full details of this item. In the audit report for the previous year attention was called to unpaid agreements of long standing and suggestion was made that some action be taken relative thereto. This has evidently been done, for there has been a reduction of \$231,166.29 in the amount of these balances at the end of the year as compared with the beginning of the year. Following is an analysis of these agreements:

Balance still unpaid on Donation Agreements in	
force at June 30, 1927-----	\$ 115,182.21
Balance unpaid on Donation Agreements made in	
1927-1928 year -----	40,779.10
Total unpaid at June 30, 1928-----	\$ 155,961.31

Notes Receivable:

For details of these notes receivable see Schedule A-4. Attention is called to the fact that all are past due, especially the note of Avery County which matured on June 4, 1925. This note was taken over at the time the 1919 Con-

struction Fund was closed. If these notes are uncollectible authority should be given to set up a reserve for the loss. In that event Available Revenue or Construction Fund Surplus will be correspondingly reduced.

Due from Maintenance Fund:

Schedule A-5 reflects the transactions from which this balance arises. The amount due from this fund will be realized gradually or as the cash position of the Maintenance Fund permits realization.

Working Funds and Stores:

These consist of the following items:

Cash, Working Advances -----	\$ 21,298.32
Foreign Cement Inventory -----	59,962.13
Bridge Materials -----	1,224.52

The advances are shown in detail on Schedule A-6. The largest amounts are to district offices, which account for same monthly by disbursement vouchers for construction.

The Foreign Cement Inventory was verified by inspection of letter from warehouse stating the quantities in storage on June 30, 1928. Their figures were reconciled with records of the Commission. The Bridge Material is a book inventory and was accepted as correct by us.

The liabilities to be liquidated consist of—

Reserved for Unpaid Checks:

The amount reserved for unpaid checks represents the liability for outstanding checks on working fund advances closed.

Construction Projects:

This item consists of the following:

Balance unexpended on projects awarded to contract -----	\$ 10,444,706.26
Balance unexpended on county loans not awarded to contract -----	61,977.47
	\$ 10,506,683.73
Less: Balance overexpended on projects awarded to contract -----	572,118.35
Balance overexpended on projects not awarded to contract (preliminary costs) -----	105,499.60
	\$ 677,617.95
Net balance unexpended -----	\$ 9,829,065.78

Contingent Liability:

This note on balance sheet is self explanatory. No direct liability for County Loans exists as there was no authorization for repayment at this time.

EXHIBIT "B," PART ONE—STATEMENT OF REVENUE AND COSTS

This exhibit covers the period beginning March 4, 1921, and ended June 30, 1928, or from the commencement of the present program to the end of the fiscal year 1927-1928. The amounts used therein are for the State as a whole,

and the statement is so arranged that the Revenue and Costs to June 30, 1927, for the year ended June 30, 1928, and the total to June 30, 1928, are shown thereon.

Revenue:

The following explanations are given of the various items of revenue:

Bonds:

The several acts of the General Assembly authorizing the respective issues are stated on the exhibit. All revenue from this source has now been made available and is therefore included. Of the last issue of \$30,000,000.00, all but \$4,000,000.00 has been sold.

Transfer from Maintenance Fund:

The amount transferred represents the balance remaining in the Maintenance Fund after paying all interest Sinking Fund contributions, administrative expenses, maintenance of roads and general construction and organization expenses, as provided by law. No contributions were made to Sinking Fund during the fiscal year ended June 30, 1928, as this had been provided for in previous years.

Since beginning of the program the Maintenance Fund has contributed to the Construction Fund a total of \$21,824,237.72, of which \$2,880,031.26 is for assumption of general construction expenses prior to transferring of maintenance surplus to Construction Fund.

Accrued Interest and Premiums on Bond Sales:

This item is self explanatory. However, we will state that prior to the fiscal years 1926-27 and 1927-28 accrued interest was credited to Construction Fund, but for the past two years the accrued interest received has been credited to interest account in Maintenance Fund as an offset to interest paid on bonds sold and outstanding.

Cement and Pipe Brokerage and Miscellaneous:

Most of this revenue is the difference in cost and price charged to road contractors for cement and pipe sold to them and is the equivalent of a dealers' discount. This item also includes small amount of miscellaneous income.

Federal Aid:

This item represents North Carolina's apportionment of Federal appropriations to States to aid in construction of highways since March 4, 1921.

Prior to the commencement in 1921 of the present program there was received \$5,924,198.98 from this source, making a total apportionment of \$19,145,555.20, as follows:

Apportionment for 1921 and prior years-----	\$ 6,269,773.88
Apportionment 1922-1928 -----	11,159,871.32
Apportionment 1929 -----	1,715,910.00
Total apportionments-----	\$ 19,145,555.20

Donations:

Full details respecting donations are shown in Schedule "B-2."

Loans:

See Schedule B-1 for details. Repayment of these loans is contingent upon future accruals to the county, or lender, of construction funds. The amount

is not ascertainable at present, therefore the loans are treated as revenue. As these loans are repaid revenue is correspondingly reduced, and if all loans were repaid the total revenue would be the same as if the loans had never been made. During the past year there was a net reduction of \$3,626,338.09 in loan revenue, accounted for in the following manner:

Loan contracts canceled or reduced, which were	
in revenue at June 30, 1927-----	\$ 713,959.70
Loans repaid -----	2,912,378.39
Net reduction-----	\$ 3,626,338.09

No loan contracts were made in the period from March 4, 1927, to June 30, 1928, as an act was passed at the 1927 session of the Legislature prohibiting the Commission from accepting any more loans of this nature from counties.

Costs:

Explanation of the items of cost are given below:

TOLL ROADS AND BRIDGES ACQUIRED CONTRIBUTED TO CONSTRUCTION FUND (1919 LAW)

These two items were charged to construction costs in prior years, but with their exception the construction costs represent only items which can be charged direct to specific projects. Those items of a general construction nature have been transferred to the Maintenance Fund.

Toll Roads and Bridges are those which were acquired prior to the adoption of the method of assigning project numbers to acquisitions of this nature.

The amount shown as contributed to Construction Fund (1919 law) was taken from the previous audit report and is used to arrive at the total cost of construction to June 30, 1928.

Allotments for Projects, Etc.:

The costs represented by projects are for projects completed, projects which have been awarded to contract and are now in process of construction, and preliminary costs on projects which have not been awarded to contract. Full details of projects, with the status of each project, are shown on Schedule B-3.

Revenue Available for Further Use:

This amount, to wit, \$13,991,983.85, is the difference between Revenue and Costs and represents the funds available for further construction purposes.

EXHIBIT "B," PART TWO—STATEMENT OF REVENUE AND COSTS BY DISTRICTS

This statement shows the apportionment of the State-wide totals of Revenue, Costs and Availability between the nine districts of the State. These totals are taken from Exhibit "B," Part One—Statement of Revenue and Costs.

Revenue:

The audit report of the previous year contained the District Revenue Available for construction in total for State and by districts to June 30, 1927, and to the totals shown therein has been added the total for State and by districts of the revenue for the current year.

Each class of revenue for the year is shown on this statement.

The basis of apportionment between districts of the different classes of the year's revenue is as follows:

For Bonds and Federal Aid—According to area, population and mileage. This basis is mandatory for bonds by the provisions of the State Road Law, but is selective by the Commission for Federal Aid.

For Maintenance Fund Surplus—In accordance with the resolution adopted by the Commission on September 1, 1926. This apportionment is shown by counties as well as by districts on Exhibit "C."

For Cement and Pipe Brokerage—According to actual earnings in each district on this material used in the respective districts.

For Donations—According to total of specific donations for each district.

For Loans—Same as for Donations. The reduction of loans in each district occurring during the year was the result of changes described in our Comments on Loans in Exhibit "B," Part One.

Costs:

The total allotments shown on this exhibit is the aggregate of each district costs and the same as shown on Summary of Schedule B-3. This schedule includes unapplied loans or loans made by counties for projects not yet awarded to contract. The inclusion is necessary in order to show true availability as the loan agreements have been taken into revenue. When the contracts for these projects are let it will not affect Available Revenue or Construction Fund Surplus unless the costs of these projects are in excess of the loans, and in that event a State allotment would have to be made to cover the excess.

District Availability:

All districts have a Construction Fund Surplus, and the amount available to each district for further use is shown on this exhibit.

EXHIBIT "A"
CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 1928

ASSETS		
<i>Cash:</i>		
With State Treasurer.....	\$ 1,147,248.46	
With Banks (Secured by Surety Bonds and Securities (Schedule A-1)).....	170,925.00	
		\$ 1,318,173.46
<i>Bonds:</i>		
Authorized:		
Chapter 2 of 1921.....	\$ 50,000,000.00	
Chapter 263 of 1923.....	15,000,000.00	
Chapter 35 of 1925.....	20,000,000.00	
Chapter 95 of 1927.....	30,000,000.00	
	\$ 115,000,000.00	
Less: Made Available by State Treasurer.....	109,436,376.12	
		5,563,623.88
<i>U. S. Department of Agriculture:</i>		
Unpaid part of Federal Aid Apportionment.....		2,240,796.95
<i>Accounts Receivable (Schedule A-2)</i>		
For cement and pipe.....		163,728.47
<i>Due for Participations:</i>		
Unpaid Donation Agreements (Schedule A-3).....	\$ 155,961.31	
Notes Receivable (Schedule A-4).....	14,730.45	
		170,691.76
<i>Due from Maintenance Fund (Schedule A-5).....</i>		14,283,249.71
<i>Working Funds and Stores:</i>		
Cash Working advances (Schedule A-6).....	\$ 21,298.32	
Foreign cement inventory.....	59,962.13	
Bridge materials.....	1,224.52	
		82,484.97
<i>Total Assets.....</i>		\$ 23,822,749.20
LIABILITIES		
<i>Reserved for Unpaid Checks.....</i>		1,699.57
<i>Construction Projects (Schedule B-3)</i>		
Estimated to complete projects let, less preliminary costs on unlet projects.....	\$ 9,767,088.31	
County loans for projects not awarded to contract.....	61,977.47	
		9,829,065.78
<i>Available Revenue (Exhibit "B"—Part One)</i>		
From State Funds.....	\$ 12,850,452.62	
From Federal Aid Funds.....	1,141,531.23	
		13,991,983.85
<i>Contingent Liability \$6,828,136.18 (Schedule B-1)</i>		
Loans made by Counties to be repaid from Funds accruing to the Counties from future construction funds.		
<i>Total Liabilities.....</i>		\$ 23,822,749.20

SCHEDULE A-1**CONSTRUCTION FUND****STATEMENT OF BANK BALANCES**

JUNE 30, 1928

Name of Bank	Address	Nature of Fund	Balance
Bank of French Broad	Marshall, N. C.	Loan by Madison County	\$ 50,000.00
Bank of Murphy	Murphy, N. C.	Donation by Cherokee County	16,000.00
Citizens Bank	Marshall, N. C.	Loan by Madison County	50,000.00
First National Bank	Thomasville, N. C.	Donation by Town of Thomasville	26,000.00
Merchants & Manufacturers Bank	Andrews	Donation by Cherokee County	16,000.00
Polk County Bank and Trust Company	Columbus, N. C.	Donation by Town of Columbus	2,925.00
Wachovia Bank & Trust Company	Raleigh, N. C.	Donation of Carolina Power & Light Co., on Project No. 683	10,000.00
<i>Total</i> (To Exhibit "A") .....	.....	.....	\$170,925.00

SCHEDULE A-3

CONSTRUCTION FUND

UNPAID DONATION AGREEMENTS

JUNE 30, 1928

County	Project No.	Amount
Nash.....	1642.....	\$ 33,956.00
Pasquotank.....	173.....	21,321.77
New Hanover.....	355.....	15,000.00
Iredell.....	643.....	48,849.63
Lincoln.....	645.....	1,000.00
Mecklenburg.....	659-A-B.....	24,262.83
Rowan.....	6690.....	215.86
Polk.....	860.....	4,707.24
Rutherford.....	875.....	3,107.98
Macon.....	966-B.....	2,640.00
<i>Total (See Exhibit "A").....</i>		<i>\$ 155,961.31</i>

SCHEDULE A-4

CONSTRUCTION FUND

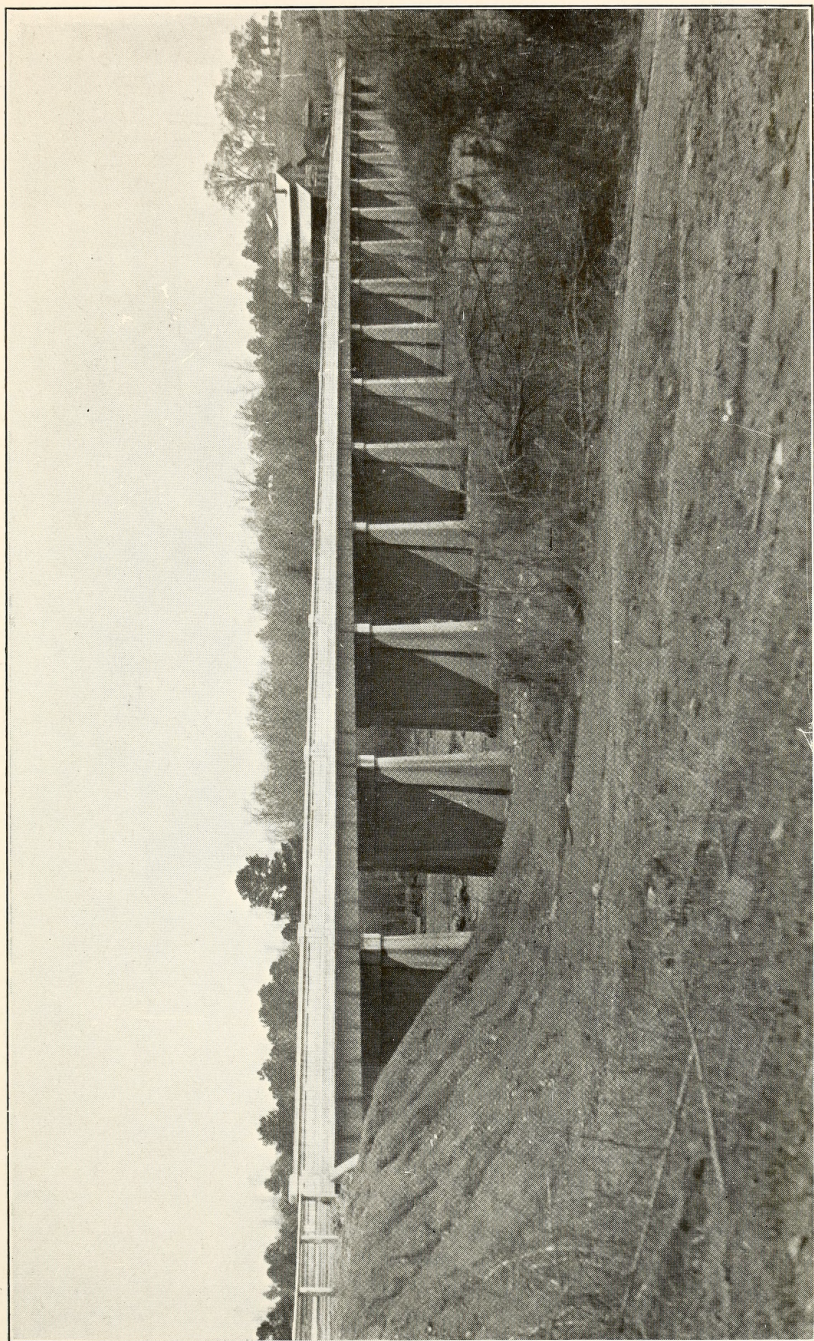
NOTES RECEIVABLE

JUNE 30, 1928

Maker	Due Date	Interest Rate How Payable	Amount
Avery County, North Carolina.....	On or before 6-4-25	6% Semi-annually	\$ 12,730.45
County Road Commission for Northampton County.....	On or before 1-1-27	6% Annually	1,000.00
County Road Commission for Northampton County.....	On or before 1-1-28	6% Annually	1,000.00
<i>Total (To Exhibit "A").....</i>			<i>\$ 14,730.45</i>

REMARKS: The last two notes are the fourth and fifth notes of a series of five notes aggregating \$5,000.00.

No interest has been received on any of the above notes during the Fiscal year ended June 30, 1928



REINFORCED CONCRETE BRIDGE OVER HAW RIVER

SCHEDULE A-5

CONSTRUCTION FUND

STATEMENT OF MAINTENANCE FUND ACCOUNT

For period March 4, 1921, to June 30, 1928

	3-4-1921 to 6-30-1927	For Year Ended June 30, 1928	3-4-1921 to 6-30-1928
<i>Charges:</i>			
Expenses of organization, overhead and indirect			
Construction transferred to Maintenance Fund..	\$ 2,818,780.88	\$ 100,183.80	\$ 2,918,964.68
Maintenance Surplus transferred to Construction			
Fund.....	10,248,203.22	8,696,003.24	18,944,206.46
Accrued Interest on Bonds sold.....	61,250.38	-----	61,250.38
<i>Total Charges</i>	\$ 13,128,234.48	\$ 8,796,187.04	\$ 21,924,421.52
<i>Credits:</i>			
Supplies, Labor and Rentals furnished Projects...	\$ 1,328,106.16	\$ 293,545.59	\$ 1,621,651.75
Liability of 1919 Construction Fund for cash			
advanced by Maintenance Fund assumed by			
1921 Construction Fund.....	625,000.00	-----	625,000.00
Cash Payments.....	5,394,520.06	-----	5,394,520.06
<i>Total Credits</i>	\$ 7,347,626.22	\$ 293,545.59	\$ 7,641,171.81
<i>Due by Maintenance Fund</i>	\$ 5,780,608.26	\$ 8,502,641.45	\$ 14,283,249.71 (To Ex. "A")

EXHIBIT "B"—PART ONE

CONSTRUCTION FUND
STATEMENT OF REVENUE AND COSTS
MARCH 4, 1921, TO JUNE 30, 1928

REVENUE	March 4, 1921 to June 30, 1927	For Year Ended June 30, 1928	Total March 4, 1921 to June 30, 1928
<i>Bonds:</i>			
Chapter 5 of 1921 Assembly.....	\$ 50,000,000.00	\$	\$ 50,000,000.00
Chapter 263 of 1923 Assembly.....	15,000,000.00	.....	15,000,000.00
Chapter 35 of 1925 Assembly.....	20,000,000.00	.....	20,000,000.00
Chapter 95 of 1927 Assembly.....	20,000,000.00	10,000,000.00	30,000,000.00
<i>Total Bonds</i>	\$105,000,000.00	\$ 10,000,000.00	\$ 115,000,000.00
<i>Transfer from Maintenance Fund</i>	\$ 10,248,203.22	\$ 8,696,003.24	\$ 18,944,206.46
<i>Other Revenue:</i>			
Accrued interest and premiums on Bonds sold.....	\$ 211,339.76	\$*	\$ 211,339.76
Cement and Pipe Brokerage and Miscellaneous.....	1,690,847.92	259,709.45	1,950,557.37
<i>Total Other Revenue</i>	\$ 1,902,187.68	\$ 259,709.45	\$ 2,161,897.13
<i>Federal Aid:</i>			
Apportionment of 1921 and prior years.....	\$ 6,269,773.88	\$	\$
Less: Received prior to 1921 State Road Act.....	5,924,198.98	.....	.....
Available under 1921 Act.....	\$ 345,574.90	\$	\$ 345,574.90
Apportionment 1922-1928.....	11,159,871.32	.....	11,159,871.32
Apportionment 1929.....	.....	1,715,910.00	1,715,910.00
<i>Total Federal Aid</i>	\$ 11,505,446.22	\$ 1,715,910.00	\$ 13,221,356.22
<i>Donations (Schedule B-2)</i>	\$ 10,679,606.52	\$ 1,444,664.84	\$ 12,124,271.36
<i>Loans from Counties (Schedule B-1)</i>	\$ 10,454,474.27	\$ 3,626,338.09	\$ 6,828,136.18
(Analysis of Loan changes during the year)			
Loan contracts cancelled or re-			
duced which were in revenue			
at June 30, 1927.....	\$ 713,959.70		
Loans repaid.....	2,912,378.39		
Reduction.....	\$3,626,338.09		

*Credited to interest in Maintenance Fund in 1927 and 1928. No premiums on Bonds sold in 1928.

EXHIBIT "B"—PART ONE—Continued

Costs	March 4, 1921 to June 30, 1927	For Year Ended June 30, 1928	Total March 4, 1921 to June 30, 1928
<i>Toll Roads and Bridges Acquired</i>	\$ 56,007.05	\$	\$ 56,007.05
<i>Contributed to Construction Fund (1919 Law) to Complete Projects</i>	\$ 685,299.76	\$	\$ 685,299.76
<i>Allotments for Projects and for Preliminary Costs on Projects not Awarded to Contracts:</i>			
State and Federal Funds.....(Schedule B-3).....	\$118,002,102.04	\$ 16,592,067.11	\$ 134,594,169.15
Donations.....(Schedule B-2).....	10,679,606.52	1,444,664.84	12,124,271.36
Loans.....(Schedule B-1).....	10,454,474.27	3,626,338.09	6,828,136.18
<i>Total Allotments</i>	\$139,136,182.83	\$ 14,410,393.86	\$ 153,546,576.69
<i>Total Costs</i>	\$139,877,489.64	\$ 14,410,393.86	\$ 154,287,883.50
<i>Revenue Available for Further Use</i>	\$ 9,912,428.27	\$ 4,079,555.58	\$ 13,991,983.85 (To Ex. "A")

NOTE 1—Revenue Available for Further Use is Out of:

State and Other Revenues.....	\$ 12,850,452.62
Federal Aid Revenue.....	1,141,531.23
Total (To Exhibit "A").....	\$ 13,991,983.85

NOTE 2—Total Allotments and Unapplied Loans:.....\$ 153,546,576.69

Expended to June 30, 1928 (Schedule B-3).....143,717,510.91

To be expended for completion of Projects authorized

(To Exhibit "A").....\$ 9,829,065.78

SCHEDULE "B"—

CONSTRUCTION

STATEMENT SHOWING REVENUE AND COSTS

AND AVAILABILITY AT JUNE

REVENUE	Total for State	District 1	District 2	District 3
<i>District Revenue per Audit, June 30, 1927</i>	\$149,048,611.10	\$ 24,524,021.47	\$ 17,829,474.97	\$ 13,850,935.47
<i>Revenue for Year Ended June 30, 1928:</i> (See comments for basis of apportionment)				
Bonds.....	\$ 10,000,000.00	\$ 1,634,300.00	\$ 1,048,100.00	\$ 1,032,800.00
Maintenance Fund Surplus (Exhibit "C").....	8,696,003.24	1,509,936.79	983,986.72	926,905.31
Cement and Pipe Brokerage	259,709.45	24,519.45	30,643.05	5,045.76
Federal Aid	1,715,910.00	280,431.17	179,844.53	177,219.19
Donations.....	1,444,664.84	33,956.00	558.07	1,250,000.00
Loans	3,626,338.09	344,586.09	609,955.69	31,474.73
<i>Total Revenue for Year</i>	\$ 18,489,949.44	\$ 3,138,557.32	\$ 1,633,176.68	\$ 3,360,495.23
<i>Total District Revenue for Program Period Available for Construction</i>	\$167,538,560.54	\$ 27,662,578.79	\$ 19,462,651.65	\$ 17,211,430.70
Costs				
<i>Allotments for Construction and Preliminary Costs:</i>				
State and Federal.....	\$134,594,169.15	\$ 22,856,211.42	\$ 13,520,759.13	\$ 13,522,589.27
Donations.....	12,124,271.36	2,444,153.75	1,948,037.30	1,355,781.74
Loans applied to Contracts let	6,766,158.71	584,288.30	1,873,444.31	515,000.00
Loans for Projects not awarded to Contract	61,977.47			
<i>Total Allotments</i>	\$153,546,576.69	\$ 25,884,653.47	\$ 17,342,240.74	\$ 15,393,371.01
<i>Available for Further Use</i>	\$ 13,991,983.85			
<i>District Availability</i>	\$	\$ 1,777,925.32	\$ 2,120,410.91	\$ 1,818,059.69

PART TWO

FUND

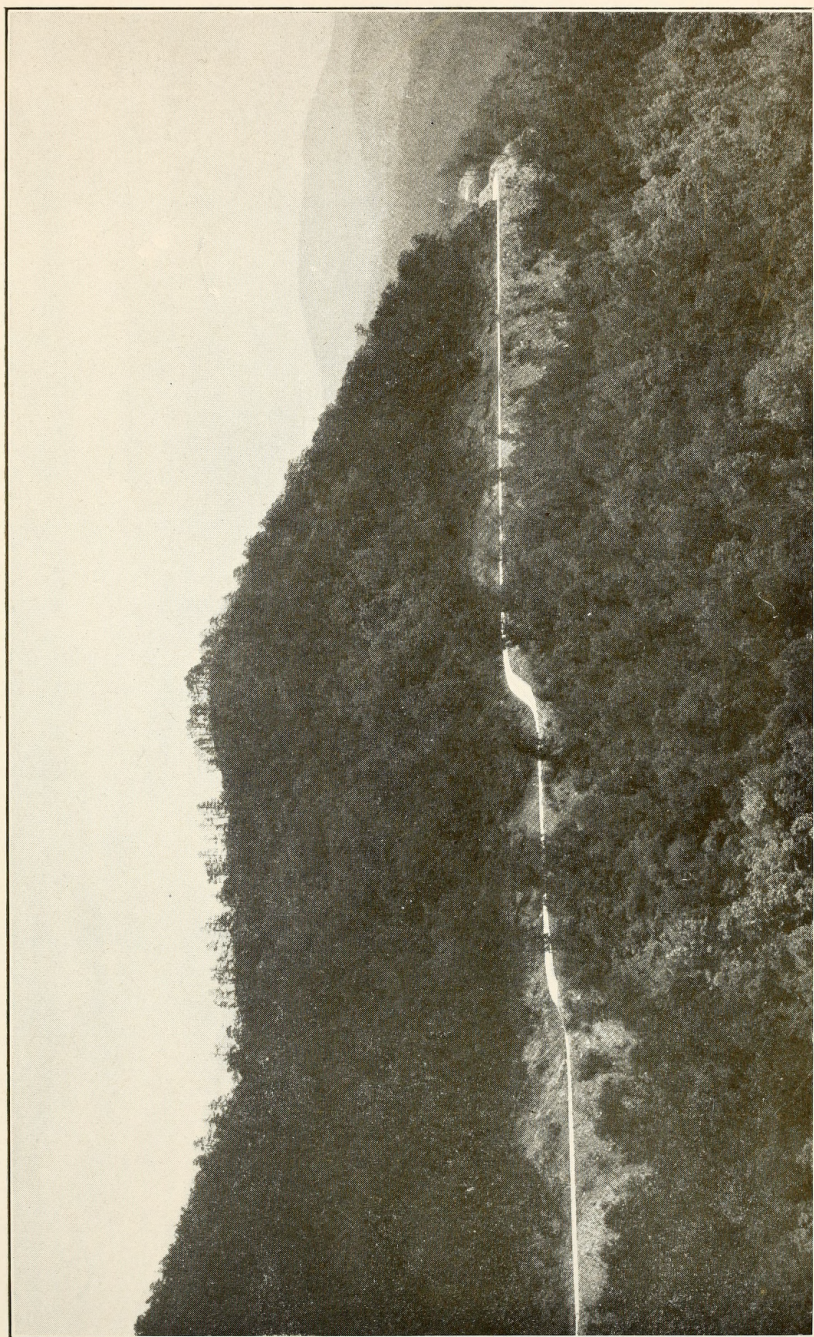
FROM MARCH 4, 1921, TO JUNE 30, 1928

30, 1928, BY DISTRICTS

District 4	District 5	District 6	District 7	District 8	District 9
\$ 15,854,597.88	\$ 14,614,086.81	\$ 22,052,718.71	\$ 13,681,480.53	\$ 12,212,727.25	\$ 14,428,568.01
1,127,000.00	1,104,100.00	1,380,900.00	1,004,800.00	756,200.00	911,800.00
872,091.89	948,648.32	1,346,822.85	746,385.26	538,143.44	823,082.66
58,526.97	22,242.64	55,847.96	23,741.21	34,899.81	4,242.90
193,383.06	189,453.62	236,950.01	172,414.64	129,757.11	156,456.67
21,536.48	25,777.32	300.05	30,000.00	36,184.09	46,352.83
494,572.79	163,603.61	807,024.14	100,000.00	330,945.66	744,175.98
\$ 1,777,965.61	\$ 2,126,618.29	\$ 2,213,796.73	\$ 1,877,341.11	\$ 1,164,239.39	\$ 1,197,759.08
\$ 17,632,563.49	\$ 16,740,705.10	\$ 24,266,515.44	\$ 15,558,821.64	\$ 13,376,966.64	\$ 15,626,327.09
\$ 15,912,082.78	\$ 14,371,338.19	\$ 18,399,880.48	\$ 12,530,800.14	\$ 10,734,982.09	\$ 12,745,525.65
243,087.35	169,476.56	2,663,420.82	997,521.31	1,022,123.24	1,280,669.29
718,605.85	135,000.00	709,735.48	-----	1,339,172.72	890,912.05
-----	-----	26,458.69	-----	35,518.78	-----
\$ 16,873,775.98	\$ 14,675,814.75	\$ 21,799,495.47	\$ 13,528,321.45	\$ 13,131,796.83	\$ 14,917,106.99
-----	-----	-----	-----	-----	-----
\$ 758,787.51	\$ 2,064,890.35	\$ 2,467,019.97	\$ 2,030,500.19	\$ 245,169.81	\$ 709,220.10

SCHEDULE B-1
CONSTRUCTION FUND
STATEMENT OF COUNTY LOANS
June 30, 1928

COUNTY	LOAN CONTRACT			Paid on Contract	Repaid to Counties	Balance not Repaid	Remarks
	Original	Reduced	Present				
<i>First District:</i>							
Beaufort.....	\$ 256,000.00	\$	\$ 256,000.00	\$ 256,000.00	\$ 256,000.00	\$	
Bertie.....	1,854.96		1,854.96	1,854.96	1,854.96		
Edgecombe.....	200,000.00		200,000.00	200,000.00	200,000.00		
Halifax.....	150,000.00		150,000.00	150,000.00	150,000.00		
Hyde.....	225,000.00		225,000.00	225,000.00	225,000.00		
Nash.....	200,000.00		200,000.00	200,000.00	200,000.00		
Northampton.....	16,000.00		16,000.00	16,000.00	16,000.00		
Perquimans.....	200,000.00		200,000.00	200,000.00	142,500.00	57,500.00	County changed to Donation
Tyrrell.....	156,000.00		200,000.00	200,000.00			
Wilson.....	600,000.00	73,211.70	526,788.30	526,788.30		526,788.30	
<i>Second District:</i>							
Carteret.....	440,000.00		440,000.00	440,000.00	272,855.69	167,144.31	
Craven.....	250,000.00		250,000.00	250,000.00	50,000.00	200,000.00	
Duplin.....	720,000.00		720,000.00	720,000.00	276,800.00	443,200.00	
Johnston.....	500,000.00		500,000.00	500,000.00	130,000.00	370,000.00	
Jones.....	300,000.00		300,000.00	300,000.00	180,000.00	120,000.00	
Pamlico.....	200,000.00		200,000.00	200,000.00	126,900.00	73,100.00	
Wayne.....	800,000.00	300,000.00	500,000.00	500,000.00		500,000.00	
<i>Third District:</i>							
Columbus.....	346,000.00		346,000.00	346,000.00	346,000.00		
Cumberland.....	350,000.00		350,000.00	350,000.00	350,000.00		
Robeson.....	1,000,000.00	485,000.00	515,000.00	515,000.00		515,000.00	
Bladen.....	150,000.00		150,000.00	150,000.00	150,000.00		
<i>Fourth District:</i>							
Chatham.....	30,000.00		30,000.00	30,000.00	30,000.00		
Durham.....	120,000.00		120,000.00	120,000.00	120,000.00		
Granville.....	220,000.00		220,000.00	220,000.00	220,000.00		
Vance.....	150,000.00		150,000.00	150,000.00	150,000.00		
Wake.....	1,300,000.00		1,300,000.00	1,300,000.00	581,394.15	718,605.85	



ROUTE 10 IN THE "LAND OF THE SKY"

STATE HIGHWAY COMMISSION

[illegible]

SCHEDULE B-2

CONSTRUCTION FUND

DONATION AGREEMENTS MARCH 4, 1921, TO JUNE 30, 1928, AND BALANCE DUE ON SAME

JUNE 30, 1928

Project	Contributor	Donation Agreement	Amount Unpaid
Beaufort.....104-A.....	N. & S. Ry.	\$ 2.89	\$.....
Beaufort.....105-A.....	County	73,844.47	.....
Beaufort.....105-B.....	County	160,509.53	.....
Beaufort.....1000.....	County	162,573.14*	.....
Bertie.....106-B.....	County	150,000.00*	.....
Bertie.....107-B, 109.....	County	16,090.00*	.....
Bertie-Chowan.....109-B.....	State of North Carolina	600,000.00	.....
Chowan.....113-B.....	N. & S. Ry.	70.07	.....
Chowan-Perquimans.....115.....	Chowan County	51,604.21	.....
Chowan.....116.....	Bid Bonds forfeited.....	4,000.00	.....
Edgecombe.....124.....	Town of Tarboro	154.87	.....
Edgecombe.....125.....	Town of Tarboro	102.59	.....
Edgecombe.....129.....	Town of Tarboro	39.96	.....
Gates.....133.....	Pasquotank County	144.50	.....
Halifax.....137.....	Town of Roanoke Rapids.....	72.67	.....
Halifax.....138-B.....	Halifax and Northampton Counties	100,000.00	.....
Halifax-Edgecombe.....141.....	A. C. L. Ry. Company	7,649.72	.....
Halifax.....143.....	East Carolina Teachers College.....	44.90	.....
Hertford.....149.....	County	5,000.00	.....
Martin.....154.....	County	190,353.26	.....
Martin.....155-A.....	County	1,154.55	.....
Martin.....157-A.....	County	106,612.25	.....
Martin.....157-B.....	County	103,787.82	.....
Nash.....1640.....	City of Rocky Mount.....	15,350.00	.....
Nash.....1642.....	County	33,956.00	33,956.00
Pasquotank.....173.....	County	69,321.77	21,321.77
Pitt.....183.....	County	100,000.00	.....
Pitt.....184.....	County	100,000.00	.....
Pitt.....185-C.....	County	225,000.00	.....
Tyrrell.....190-194.....	County	156,000.00	.....
Tyrrell.....192.....	Town of Columbia	19.95	.....
Wilson.....291-B.....	R. R.	10,694.63	.....
Carteret.....200.....	N. & S. Ry.	73.44	.....
Carteret.....200-B, 201-C.....	County	167,722.17	.....
Craven.....208.....	County	35.00	.....
Johnston.....235.....	Southern Ry.	5,568.22	.....
Johnston.....235.....	A. C. L. Ry.	7,948.83	.....
Johnston.....240.....	A. C. L. Ry.	22,738.82	.....
Lenoir.....258-259.....	County	1,545,493.76*	.....
Pamlico.....265-266.....	County	150,000.00	.....
Pamlico.....267-268.....	Town of Oriental	6,251.75	.....
Sampson.....278.....	County	20,000.00	.....
Wayne.....280.....	N. & S. Ry.	1,086.00	.....
Wayne.....283.....	City of Goldsboro	3,937.19	.....
Wayne.....283.....	A. C. L. Ry.	7,267.24	.....
Wayne.....284.....	A. C. L. Ry.	9,912.88	.....
Bladen.....302.....	County	10,000.00	.....
Bladen.....306.....	County	7,500.00	.....
New Hanover.....353.....	County	11,590.83	.....
New Hanover.....353.....	County	46,532.75*	.....

*Represents construction values paid for by Contributor and turned over to the State.

SCHEDULE B-2—Continued

Project	Contributor	Donation Agreement	Amount Unpaid
New Hanover.....355	County.....	\$ 25,000.00	\$ 15,000.00
New Hanover (Bridge) 355	State of North Carolina	1,250,000.00	
Onslow.....367	Bryan-King Motor Company	284.97	
Onslow.....367	Town of Jacksonville	4,755.86	
Pender.....379	A. C. L. R. Ry.	117.33	
Chatham.....403-A	S. A. L. Ry.	192.60	
Durham.....415	N. & W. Ry.	9,945.85	
Durham.....415	Southern Ry.	2,921.64	
Durham.....417	Southern Ry.	7,811.03	
Durham.....417	County	30,000.00*	
Durham.....4090	Southern Ry.	12,000.00	
Franklin.....418	S. A. L. Ry.	8,275.93	
Granville.....427	Oxford Orphanage	4,102.24	
Lee.....448	County	25,000.00	
Lee.....449-A	N. & S. Ry.	2,978.32	
Orange.....455-B	University of North Carolina	1,320.59	
Person.....465	N. & W. Ry.	6,406.92	
Vance.....472-A	County	30,740.00	
Wake.....476	N. & S. Ry.	5,567.91	
Wake.....477	S. A. L. Ry.	9,085.11	
Wake.....477	D. & S. Ry.	11,688.18	
Wake.....479	N. & S. Ry.	8,972.41	
Wake.....	State College	437.60	
Wake.....Survey	Wake Forest-Durham	300.00	
Wake.....480	N. & S. Ry.	3,232.43	
Wake.....481	R. Ry.	592.22	
Wake.....483	Carolina Power & Light Co.	121.03	
Wake.....483	City of Raleigh	3,828.27	
Wake.....484	S. A. L. Ry.	7,265.39	
Wake.....487-A	County	41,500.00	
Wake.....487-A	N. & S. Ry.	6,117.48	
Wake.....Annie Lee Road	State of North Carolina	2,684.20	
Davidson.....523	W.-S. & Southbound Ry.	9,591.39	
Davidson.....5260	City of Thomasville	26,000.00	
Guilford.....532-B	County	15,504.47	
Guilford.....537-B	City of Greensboro	500.00	
Guilford.....537-C	City of Greensboro, County and Individuals	25,000.00	
Guilford.....539	County	10,174.44	
Montgomery.....538	N. & S. Ry.	7,460.94	
Moore.....569	S. A. L. Ry.	354.84	
Randolph.....580-B	Town of Randleman	8,153.16	
Rockingham.....589	County	31,600.00	
Rockingham.....591	N. & W. Ry.	35,137.32	
Anson.....607	W.-S. Southbound Ry.	3,480.10	
Anson.....608	County	100.00	
Anson.....609	S. A. L. Ry.	10,244.98	
Cabarrus.....617	County	293,700.00	
Catawba.....629	County	75,000.00	
Gaston.....633-A, 633-B	County	177,695.15	
Gaston.....634	County	171,170.00*	
Gaston.....6300	Southern Ry.	30,406.77	
Gaston.....6300	City of Gastonia	15,203.38	
Gaston.....635	Southern Ry.	10,500.00	
Iredell.....638	Town of Mooresville	405.49	
Iredell.....641	County	402,260.00*	

*Represents construction values paid for by Contributor and turned over to the State.

SCHEDULE B-2—Continued

Project	Contributor	Donation Agreement	Amount Unpaid
Iredell.....643	County.....	\$ 323,849.63	\$ 48,849.63
Iredell.....641 Ext....	County.....	82,280.00*	
Lincoln.....645	Town of Lincolnton.....	1,900.00	1,900.00
Lincoln.....646-B, 648-B	County.....	125,000.00	
Mecklenburg.....654	Town of Davidson.....	62.32	
Mecklenburg.....659, 659-A, 659-B	County.....	24,262.83	24,262.83
Mecklenburg.....659, 659-A, 659-B	County.....	305,030.00*	
Richmond.....6640	County.....	11,073.96	
Richmond.....6640	Town of Rockingham.....	11,073.96	
Richmond.....6640	S. A. L. Ry.....	3,964.23	
Rowan.....669	County.....	25,734.00	
Rowan.....6690	Town of Cleveland.....	3,415.86	215.86
Rowan.....6690	Southern Ry.....	10,058.50	
Rowan.....671		585.06	
Rowan.....673	Tallassee Power Company.....	25,736.99	
Scotland.....677	County.....	125,000.00	
Scotland.....681	County.....	34,959.82*	
Stanly-Montgomery.....683	Carolina Power & Light Co.....	350,000.00	
Stanly.....685	W.-S. Southbound Ry.....	9,267.79	
Caldwell.....720-B	Southern Power Co.....	85,000.00	
Caldwell.....720-C	County.....	200,000.00	
Caldwell.....729	County.....	30,000.00	
Forsyth.....740-745	County.....	229,476.35*	
Forsyth.....740	Town of Kernersville.....	1,428.10	
Forsyth.....740	Southern Ry.....	4,646.86	
Forsyth.....743-744	County.....	15,000.00	
Forsyth.....743-744	County.....	431,970.00	
Burke.....811-B	R. R.....	9,236.87	
Burke.....813	County.....	1,850.00	
Burke.....817	Southern Ry.....	3,720.88	
Burke.....Linville Mt. Survey	Triplett & Etheridge.....	1,000.00	
Burke.....	State Hospital.....	14,121.00	
Cleveland.....824	S. A. L. Ry.....	4,460.20	
Cleveland.....824	Southern Ry.....	4,847.60	
Cleveland.....8223	Town of Kings Mountain.....	10,560.00	
Henderson.....832	County.....	23,574.92	
Henderson.....836-B, 837-B	County.....	147,000.00	
Henderson.....837	County.....	70,000.00*	
Henderson.....840	Southern Ry.....	11,264.35	
McDowell.....843	Southern Ry.....	5,500.00	
McDowell.....847	County.....	118,770.40	
McDowell.....848	County.....	2,337.04	
McDowell.....849-A	Southern Ry.....	9.00	
McDowell.....851	Federal Forest Survey.....	29,267.85	
McDowell.....851	Buck Creek Dev. Co.....	21,759.98	
McDowell.....851	County.....	200,000.00	
Mitchell.....857	County.....	35,000.00	
Mitchell.....858	C. C. & O. Ry.....	6,789.79	
Mitchell.....861	County.....	6,442.82	
Mitchell.....862	County.....	38,000.00	
Polk.....865	Town of Columbus.....	2,925.00	
Polk.....869	Southern Ry.....	4,707.24	4,707.24
Rutherford.....875	R. R.....	3,107.98	3,107.98
Rutherford.....876	Forest City.....	59.50	
Rutherford.....882	Towns of Cliffside, Avondale and Caroleen.....	39,849.02	

*Represents construction values paid for by Contributor and turned over to the State.

SCHEDULE B-2—Continued

Project	Contributor	Donation Agreement	Amount Unpaid
Rutherford.....887	Chimney Rock Co.	\$ 5,961.80	\$.....
Yancey.....889	Federal Forest Survey	20,000.00	.....
Yancey.....889	County	100,000.00	.....
Yancey.....891	County	80,000.00	.....
Buncombe.....907	Southern Ry.	1,284.67	.....
Buncombe.....9060	County	31,772.48	.....
Buncombe.....908	County	30,429.00	.....
Buncombe.....9080	County	9,999.30	.....
Cherokee.....917	County	50,000.00	.....
Graham.....931	Tallassee Power Company	82,503.40	.....
Graham.....932-A	County	100,000.00	.....
Haywood.....944-B	County	45,972.41*	.....
Jackson.....952-B	County	95,600.00*	.....
Jackson.....952-A, 953	County	285,765.05	.....
Jackson.....954	County, Dillsboro and Sylva	16,901.84	.....
Macon.....962-A	County	89,600.00	.....
Macon.....964	Town of Franklin	10,000.00	.....
Macon.....966-B	Town of Highlands	7,640.00	2,640.00
Macon.....965-A-B, 966-A-B	County	120,390.19*	.....
Madison.....974	County	40,000.00	.....
Madison.....975	County	71,459.11	.....
Swain.....980	Western Union Tel. Co.	67.11	.....
Swain.....980	Southern Ry.	122.93	.....
Transylvania.....990	Southern Ry.	3,177.54	.....
Transylvania.....993	County	9,390.68*	.....
Transylvania.....996	County	84,513.80*	.....
Transylvania.....996	Southern Ry.	5,292.65	.....
Transylvania.....997	County	88,787.13*	.....
Totals.....		\$ 12,124,271.36 (To Ex. "B" Part 1)	\$ 155,961.31 (To Ex. "A")

*Represents construction values paid for by Contributor and turned over to the State.

SCHEDULE B-3

SUMMARY:	ALLOTMENTS				Expenditures Schedule B-4	Balance Unexpended	Balance Over Expended
	State and Federal	Loans	Donations	Total Allotments			
District Number One	\$ 22,856,211.42	\$ 584,288.30	\$ 2,444,153.75	\$ 25,884,653.47	\$ 24,142,889.98	\$ 1,823,967.59	\$ 82,204.10
District Number Two	13,520,759.13	1,873,444.31	1,948,037.30	17,342,240.74	16,032,771.38	798,417.35	88,947.99
District Number Three	13,522,589.27	515,000.00	1,355,781.74	15,388,371.01	13,237,185.61	2,245,419.33	89,233.93
District Number Four	15,912,082.78	718,605.85	243,087.35	16,873,775.98	15,927,346.82	1,013,470.38	67,041.22
District Number Five	14,371,338.19	135,000.00	169,476.56	14,675,814.75	13,603,014.24	1,099,648.27	26,847.76
District Number Six	18,399,880.48	709,735.48	2,663,420.82	21,773,036.78	20,492,887.40	1,352,968.12	72,818.74
District Number Seven	12,530,800.14		997,521.31	13,528,321.45	12,788,247.23	835,733.79	95,659.57
District Number Eight	10,734,982.09	1,339,172.72	1,022,123.24	13,096,278.05	12,481,904.76	656,980.89	42,607.60
District Number Nine	12,745,525.65	890,912.05	1,280,669.29	14,917,106.99	14,411,263.49	618,100.54	112,257.04
Totals	\$134,594,169.15	\$ 6,766,158.71	\$ 12,124,271.36	\$153,484,599.22	\$143,717,510.91	\$ 10,444,706.26	\$ 677,617.95
Unapplied Loans:							
District Number Six—Iredell County	\$	\$ 26,458.69	\$	\$ 26,458.69	\$	\$ 26,458.69	\$
District Number Eight—Rutherford County		35,518.78		35,518.78		35,518.78	
Totals	\$	\$ 61,977.47	\$	\$ 61,977.47	\$	\$ 61,977.47	\$
Total All Districts	\$134,594,169.15 (To Ex. "B")	\$ 6,828,136.18 (To Ex. "B")	\$ 12,124,271.36 (To Ex. "B")	\$153,546,576.69	\$143,717,510.91	\$ 10,506,683.73	\$ 677,617.95
Total allotments and Unapplied Loans—All Districts				\$153,546,576.69			
Less: Expenditures				143,717,510.91			
Net Balance Unexpended (To Exhibit "A")				\$ 9,829,065.78			
Balance Unexpended				\$ 10,506,683.73			
Balance Overexpended				677,617.95			
Net Balance Unexpended (To Exhibit "A")				\$ 9,829,065.78			

SCHEDULE B-4

SUMMARY	Location	Plans Advertising	Engineering Inspection	General Supervision	Testing	Construction	Total Expenditures
District Number One	\$ 113,723.90	\$ 86,643.57	\$ 1,138,425.46	\$ 84,830.83	\$ 99,477.62	\$ 22,619,788.60	\$ 24,142,889.98
District Number Two	65,237.87	57,763.31	742,612.63	57,265.33	63,038.61	15,646,853.63	16,632,771.38
District Number Three	73,566.90	56,263.00	717,612.13	76,443.99	55,765.68	12,257,503.91	13,237,185.61
District Number Four	137,723.83	56,945.89	752,440.76	48,824.25	77,236.84	14,854,175.25	15,927,346.82
District Number Five	88,486.25	47,287.37	659,258.32	44,292.11	65,144.71	12,698,545.48	13,603,014.24
District Number Six	162,518.71	79,985.93	962,795.63	57,720.02	143,697.93	19,086,169.18	20,492,887.40
District Number Seven	114,145.85	42,406.21	781,845.10	41,354.48	50,318.75	11,758,176.84	12,788,247.23
District Number Eight	139,937.48	63,273.83	818,819.47	40,390.41	44,430.03	11,375,053.54	12,481,904.76
District Number Nine	131,113.30	63,030.15	999,525.29	30,140.08	37,887.35	13,149,567.32	14,411,263.49
Total All Districts	\$ 1,026,454.09	\$ 553,629.26	\$ 7,573,334.79	\$ 481,261.50	\$ 636,997.52	\$133,445,833.75	\$ 143,717,510.91 (To Sch. B-3)

MAINTENANCE FUND COMMENTS

EXHIBIT "A"—BALANCE SHEET

The condition of the Maintenance Fund at June 30, 1928, is reflected in this exhibit.

This fund contains the assets mentioned below, which are discussed in their order.

Cash:

The amount on deposit with State Treasurer was verified direct and is in agreement with that official's records when outstanding warrants are taken into consideration.

Cash Working Funds:

Maintenance Fund on deposit with Commercial National Bank was verified by reconciliation of bank's statement as of June 30, 1928. This is a working imprest fund of \$25,000.00.

There is deposited with the License Bureau of the State Department of Revenue a revolving fund of \$20,000.00, which is used to pay refunds of automobile licenses and gasoline taxes.

Advances to employees for working funds, aggregating \$11,450.00, are shown in detail on Schedule A-1.

Accounts Receivable:

The item "State Departments" represents charges for supplies, materials, etc., furnished certain of the State departments and also includes sundry charges to others besides State departments. Details of this item are shown in Schedule A-2.

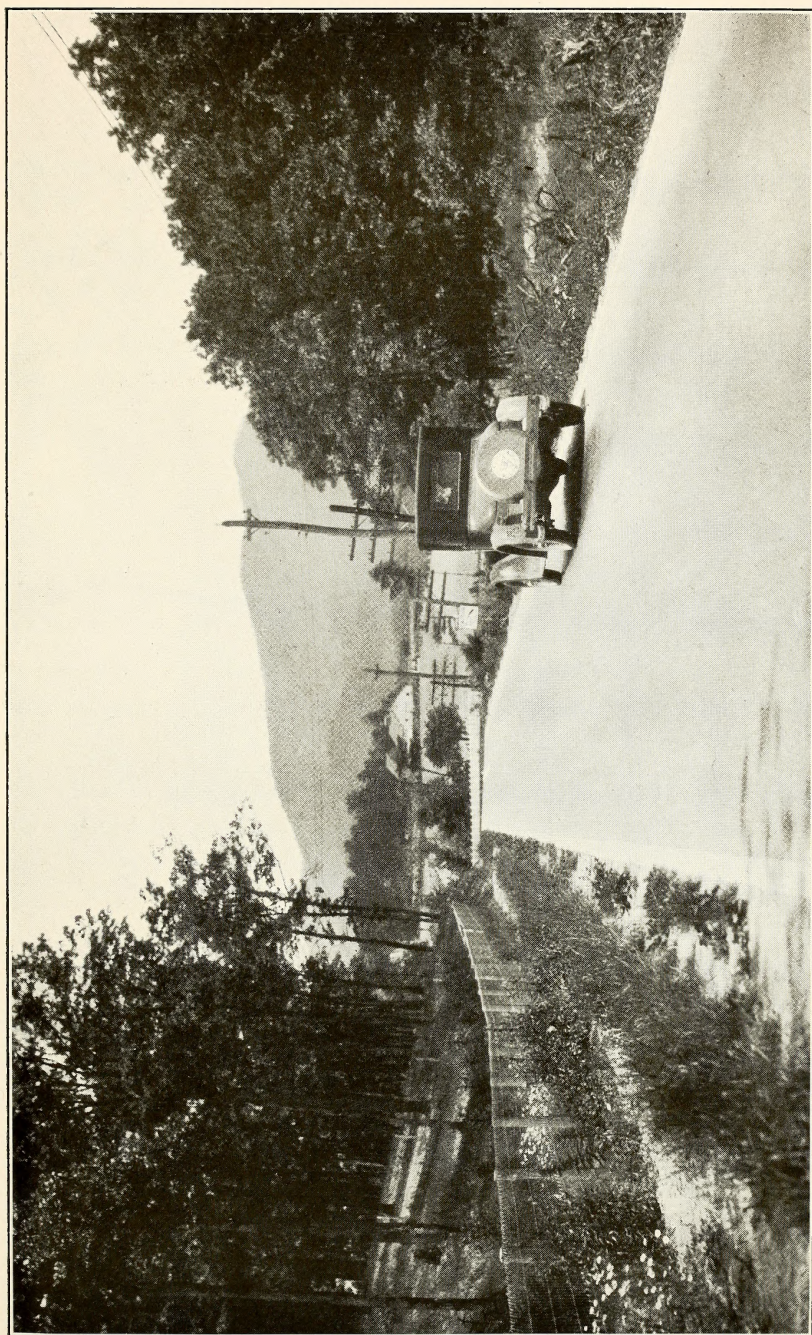
The item "Motor Vehicle Bureau" \$67.40 is a charge made for adjustment of accounts between the Bureau and the Commission.

Inventories:

Motor Equipment Department, \$345,977.37. Beginning July 1, 1927, this department changed its operating policy from that of charging other departments with actual cost of services rendered to a rental basis. Under this new method the department now shows an operating profit. The chairman of the Commission has decided that this profit shall be used to first pay for the physical assets of the department before applying any of it to Fund Revenue. Since the department maintains a complete set of subsidiary books, in which all of its transactions are recorded, we are of the opinion that this is a wise policy. The net profit shown for the fiscal year ended June 30, 1928, was \$259,777.58. (See Exhibit "C" of this section of report.)

There has been no physical inventory taken, so therefore the amount, to wit, \$345,977.37 is purely book figures. We might state, however, that there is a perpetual inventory record kept, and we believe these figures are sound—an analysis of which is as follows:

Inventory July 1, 1927-----	\$	894,908.23
Less: Reserve for obsolete parts and price decline-----		164,998.92
	\$	729,909.31
Add: Purchases for the year -----	\$	482,095.60
Supplies manufactured -----		70,998.91
	\$	1,283,003.82



SCENE ON ROUTE 10—ASPHALTIC CONCRETE

Deduct: Supplies issued -----	\$	661,921.70	
Reduction in District Stores—Inven- tories -----		15,327.17	\$ 677,248.87
Book inventory June 30, 1928-----	\$	605,754.95	
Less: Net profit for year-----			259,777.58
	\$		345,977.37

Pipe Plant \$17,565.34:

This is a physical inventory taken, valued and stated by employees of the Commission. Valuation is at cost of production. We verified this inventory in so far as the book records are concerned and are satisfied as to its correctness.

Pipe Plant:

The pipe plant has cost to date \$32,664.69, and from this amount is deducted \$16,500.00, reserve for depreciation, leaving a depreciated value of \$16,164.69. For depreciation for the current year \$6,000.00 was charged against operations. About one-half of the cost has been returned through depreciation charges, and if the present rate of depreciation is continued the entire cost will be returned in about three years more.

Deferred Charges:

This item represents payment in advance of premium for the ensuing year on Employers' Liability Insurance. A small part of this will be repaid by employees participating in this insurance and the balance will be absorbed in the expenses of the Commission for the next year.

The liabilities of the fund to be liquidated are as follows:

Accounts Payable:

This consists of sundry unpaid bills of the pipe plant set up as a liability and charged against the operations of the pipe plant. No other accounts payable have been included in this item as this has never been the custom.

Reserve for Uncompleted Betterments:

The uncompleted betterments are detailed in Schedule A-3 and is in accordance with engineer's estimate.

Reserve for Unpaid Checks:

This item represents the liability for checks outstanding at the time working fund advances were closed.

Due Construction Fund:

This is the principal liability of the Maintenance Fund and the transactions explaining same are shown in detail on Schedule A-5 of Construction Fund. See Construction section of this report.

EXHIBIT "B"—STATEMENT OF REVENUE AND EXPENSES

For comparative purposes the sources of revenue for two years are given below.

Revenue:

	<i>Year Ended June 30, 1928</i>	<i>Year-Ended June 30, 1927.</i>
Automobile Licenses—Net -----	\$ 9,353,616.04	\$ 5,893,609.78
Gasoline Tax—Net -----	9,376,987.98	8,120,604.29
Title Fees—Net -----	212,103.47	-----
Total net collections-----	\$ 18,942,707.49	\$ 14,014,214.07
Less: License Bureau Expenses, etc.-----	568,297.77	397,288.49
Net Revenue from above three sources-----	\$ 18,374,409.72	\$ 13,616,925.58
Sundry Revenue -----	657.70	2,949.48
Net Profit—Pipe Plant -----	17,256.45	20,146.79
Total Revenue -----	\$ 18,392,323.87	\$ 13,640,021.85

For gross collections and refunds and cancellations, as well as details of deductions from total net collections, see Schedule B-1.

The principal revenue is derived from sale of automobile license plates and a gasoline tax and minor income is received from motor vehicle title fees. Licenses are issued at graduated rates based on horse-power of motor, the gasoline tax is four cents per gallon, and the title fees are fifty cents. The tax is refunded when gasoline is consumed by motor equipment not used on the public roads. All of this revenue is collected by the License Bureau of the Department of Revenue. The expenses of the Bureau which, by law, are limited to four per centum of the collections, are paid from the collections. These expenses are subject to control by the State Highway Commission. The automobile licenses shown above, for the year ended June 30, 1928, includes amounts collected for licenses issued for the full and remaining part of the calendar year 1928. Consideration must be given to this fact when comparing the figures for the two fiscal years.

Prior to July 1, 1927, the collections of title fees were retained by the Department of Revenue, but the law now requires that revenue from this source be turned over to the Maintenance Fund of the State Highway Commission.

Net Profit of Pipe Plant is the result of operations for the year as reflected in Schedule B-2. A subsidiary set of books is kept for the Pipe Plant and the records contain an adequate cost system which enables the Accounting Department to render monthly statements in detail showing the production and unit cost of manufacturing. The book inventories of raw materials and finished product were adjusted to conform to physical inventories. We examined these inventories and are satisfied of their correctness. We audited the subsidiary books and, in our opinion, the Statement of Operations submitted herewith show the correct result of manufacturing and sale of concrete pipe.

Sundry revenue represents sales of junk, materials, etc.

Expenses:

The expenses for two years are listed below so as to permit comparison of them also.

	<i>Year Ended June 30, 1928</i>	<i>Year-Ended June 30, 1927</i>
Administrative -----	\$ 222,608.53	\$ 243,747.71
General Maintenance -----	193,944.23	243,123.56
Direct District Maintenance -----	3,223,063.48	2,798,344.35
Betterments -----	1,229,452.84	674,767.27
Bond Interest -----	4,720,847.84	3,825,138.98
Employees' Accident Insurance -----	6,219.91	62,069.56
General Construction Charges transferred to Maintenance -----	100,183.80	119,455.45
Applied to Construction during year -----	-----	1,318,352.20
Total -----	\$ 9,696,320.63	\$ 9,284,999.08

It will be seen that expenses for the current year, which are not fixed charges, but are those subject to management control, are less than for the previous year.

The employees' insurance is considerably less due to the fact that the premium of \$48,000.00 for the ensuing year has been treated as a deferred charge.

It will be noted that in the disposition of the above Revenue no provision was made for contributions to Sinking Fund. This provision is not required until the year ended June 30, 1929, as contributions to this fund have been anticipated until that time in accordance with section 27 of the State Road Law.

Maintenance Fund Transferred:

This is shown in the following summary for the year ended June 30, 1928:

Total Revenue, as above -----	\$ 18,392,323.87
Total Expenses, as above -----	9,696,320.63
Excess of Revenue -----	\$ 8,696,003.24

This excess has been transferred to Construction Fund as provided by law.

EXHIBIT "A"
MAINTENANCE FUND
BALANCE SHEET
 JUNE 30, 1928

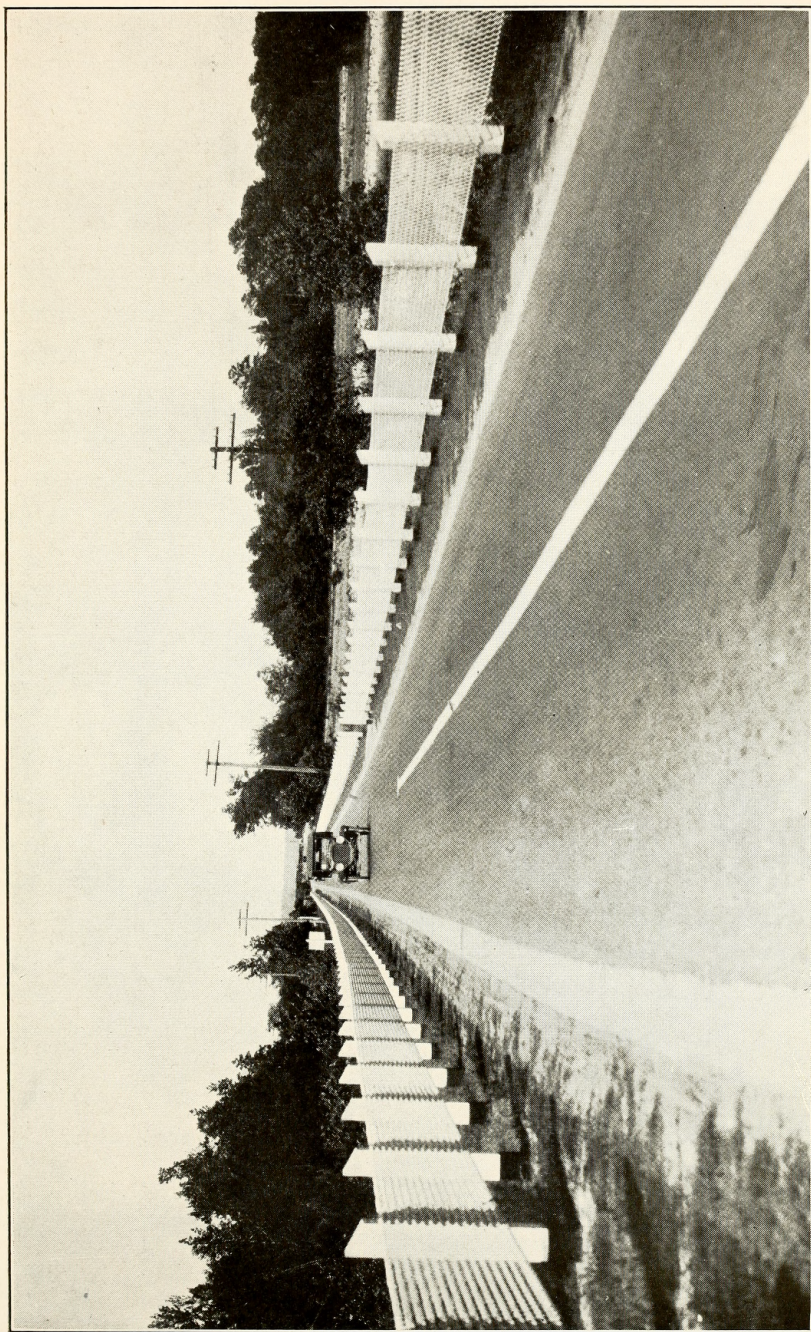
ASSETS	
<i>Cash:</i>	
On Deposit with State Treasurer	\$14,248,577.24
Less: Cash deferred until ensuing year, Representing undistributed Collections of License Bureau	7,772.25
	<u>\$14,240,804.99</u>
<i>Cash Working Funds:</i>	
Maintenance Fund—Deposited in Commercial National Bank	\$ 25,000.00
License Bureau	20,000.00
Advances to Employees (Schedule A-1)	11,450.00
	<u>56,450.00</u>
<i>Accounts Receivable:</i>	
State Departments—For Supplies and Materials (Schedule A-2)	\$ 7,108.10
Motor Vehicle Bureau	67.40
	<u>7,175.50</u>
<i>Inventories:</i>	
Motor Vehicle Department—	
Parts and Accessories	\$ 605,754.95
Less: Charged off for obsolete parts and price declines ..	259,777.58
	<u>\$ 345,977.37</u>
Pipe Plant—	
Finished Pipe	\$ 13,377.72
Raw materials	4,187.62
	<u>17,565.34</u>
	<u>363,542.71</u>
<i>Pipe Plant:</i>	
Cost	\$ 32,664.69
Less: Reserve for Depreciation	16,500.00
	<u>16,164.69</u>
<i>Deferred Charges:</i>	
Employer's Liability Insurance	48,000.00
<i>Total</i>	<u>\$14,732,137.89</u>
LIABILITIES	
<i>Accounts Payable:</i>	
Pipe Plant	\$ 1,816.07
Reserve for Uncompleted Betterments (Schedule A-3)	445,744.11
Mitchell County—Special	648.82
Reserve for Unpaid Checks	679.18
<i>Due Construction Fund:</i>	
(See Schedule A-5 Construction Fund)	14,283,249.71
<i>Total</i>	<u>\$14,732,137.89</u>

SCHEDULE A-3
DETAIL OF BETTERMENTS
MAINTENANCE FUND
YEAR ENDED JUNE 30, 1928

	Section Old	Number New	Authorized	Reserve for Uncompleted Betterments
<i>First District:</i>				
Beaufort	145	1450	\$ 6,000.00	\$ 6,000.00
Beaufort	129-B		7,122.00	500.00
Dare	100	1000	14,400.00	14,400.00
Gates	110		2,750.00	
Gates	110		1,879.00	
Halifax	138		2,755.00	
Halifax	120		7,440.00	
Halifax	118		18,360.00	
Halifax	117-B		2,808.00	
Hertford	112	1120	13,200.00	13,200.00
Hertford	112	1120	3,250.00	3,250.00
Nash	142		1,600.00	
Northampton	115-B		1,580.00	
Northampton	115		7,450.00	
Northampton	115		1,680.00	
Northampton	114		4,860.00	
Northampton	114	1140	8,640.00	5,640.00
Washington	144	1440	4,000.00	4,000.00
<i>Total</i>			\$ 109,774.00	\$ 46,990.00
<i>Second District:</i>				
Craven	227-B		\$ 1,812.00	\$
Craven	227-B		6,000.00	
Craven	227		4,200.00	
Craven	205-B		5,280.00	3,000.00
Craven	204-B		10,010.00	
Sampson	222	2260	23,520.00	23,520.00
Sampson	220		3,935.00	
<i>Total</i>			\$ 54,757.00	\$ 26,520.00
<i>Third District:</i>				
Bladen	313	3130	\$ 12,000.00	\$ 5,000.00
Bladen	339	3390	8,400.00	4,000.00
Bladen	313		8,400.00	
Columbus	304	3040	9,600.00	9,600.00
Onslow	324	3240	16,150.00	5,000.00
Onslow	323	3230	15,350.00	15,350.00
Onslow	322	3220	1,650.00	
Pender	322	3220	7,190.00	2,840.00
Pender	327-B		5,825.00	
Robeson	336-B		1,420.00	
Robeson	336		2,400.00	
Robeson	330		4,090.00	
Robeson	330		1,200.00	
Robeson	308		3,000.00	
<i>Total</i>			\$ 96,675.00	\$ 41,790.00

SCHEDULE A-3—Continued

	Section Old	Number New	Authorized	Reserve for Uncompleted Betterments
<i>Fourth District:</i>				
Chatham.....	438	-----	\$ 2,000.00	\$-----
Chatham.....	410	-----	3,500.00	-----
Chatham.....	435	-----	8,000.00	-----
Chatham.....	416	-----	1,650.00	-----
Chatham.....	412	-----	6,600.00	-----
Chatham.....	411	4120	5,200.00	5,200.00
Chatham.....	411	4120	16,800.00	1,100.00
Chatham.....	409	-----	1,000.00	-----
Orange.....	409	-----	1,475.00	-----
Chatham.....	413	-----	4,000.00	-----
Lee.....	413	-----	2,000.00	-----
Chatham.....	412	-----	990.00	-----
Durham.....	419-B	-----	1,500.00	-----
Durham.....	419	-----	5,000.00	-----
Franklin.....	424	-----	13,650.00	-----
Granville.....	440	4400	4,000.00	3,000.00
Harnett.....	222	-----	2,625.00	-----
Harnett.....	434-5	4340-50	11,770.00	11,770.00
Harnett.....	432	-----	3,500.00	-----
Harnett.....	432-4	4320-40	11,000.00	11,000.00
Harnett.....	433	4160	9,093.75	5,093.75
Lee.....	433	4160	9,093.75	5,093.75
Lee.....	413	4130	20,460.00	6,000.00
Orange.....	437	-----	1,000.00	-----
Orange.....	408	-----	5,000.00	-----
Orange.....	408	-----	9,900.00	-----
Orange.....	408	-----	2,000.00	-----
Orange.....	406	-----	14,080.00	-----
Person.....	400	4000	15,400.00	15,400.00
Person.....	401	4010	3,850.00	3,850.00
Person.....	402	4020	13,340.00	9,210.00
Granville.....	402	4020	4,370.00	-----
Wake.....	439	4360	20,000.00	19,500.00
Wake.....	440	4370	11,000.00	10,000.00
<i>Total</i>	-----	-----	\$ 244,847.50	\$ 106,217.50
<i>Fifth District:</i>				
Alamance.....	542-B	-----	\$ 2,725.00	\$-----
Alamance.....	542	5420	5,600.00	3,600.00
Alamance.....	541	-----	3,100.00	-----
Alamance.....	515	5150	14,190.00	8,500.00
Caswell.....	406	5340	2,400.00	2,400.00
Davidson.....	536-B	-----	2,120.00	-----
Davidson.....	535-B	-----	2,792.00	-----
Davidson.....	526	-----	4,000.00	2,000.00
Davidson.....	535	-----	1,280.00	-----
Davidson.....	536-7	5370	15,280.00	4,000.00
Randolph.....	536-7	5370	1,800.00	-----
Guilford.....	510	5100	2,000.00	2,000.00
Hoke.....	508	-----	11,297.00	-----
Montgomery.....	529	5050	4,700.00	4,700.00
Montgomery.....	505	-----	13,000.00	-----
Montgomery.....	538-B	-----	2,704.00	-----
Moore.....	532	-----	7,700.00	-----
Moore.....	506	5320	17,930.00	3,930.00



AN EXAMPLE OF CENTER-STRIPING AND WIRE-GUARD FENCE



SCHEDULE A-3—Continued

	Section Old	Number New	Authorized	Reserve for Uncompleted Betterments
Randolph.....	537-B		\$ 1,487.00	\$.....
Randolph.....	514	5140	20,350.00	8,350.00
Randolph.....	412	5140	5,500.00	5,500.00
Randolph.....	525	5250	1,170.00	600.00
Davidson.....	525		585.00	.....
Rockingham.....	522		1,885.50	.....
<i>Total</i>			\$ 145,595.50	\$ 45,580.00
<i>Sixth District:</i>				
Cabarrus.....	631		\$ 1,450.00	\$.....
Catawba.....	611		12,000.00	.....
Richmond.....	681		6,000.00	.....
Rowan.....	512		2,300.00	.....
<i>Total</i>			\$ 21,750.00	\$.....
<i>Seventh District:</i>				
Ashe.....	744-B		\$ 1,635.00	\$.....
Ashe.....	740-B		1,635.00	.....
Ashe.....	740		12,200.00	.....
Ashe.....	738	7380	13,875.00	10,500.00
Ashe.....	739	7400	6,500.00	5,000.00
Alleghany.....	738	7380	13,125.00	10,500.00
Caldwell.....	730		7,770.00	.....
Caldwell.....	733	7330	22,500.00	12,900.00
Caldwell.....	730		1,800.00	.....
Davie.....	745-B		1,010.00	.....
Davie.....	702		2,250.00	.....
Davie.....	724		1,000.00	.....
Davie.....	745	7240	10,500.00	2,000.00
Stokes.....	719		11,775.00	.....
Stokes.....	718		1,250.00	.....
Stokes.....	715		3,000.00	.....
Stokes.....	714	7140	5,880.00	3,080.00
Stokes.....	720		2,975.00	.....
Surry.....	720		1,630.00	.....
Surry.....	720		4,600.00	.....
Surry.....	*721	7210	14,725.00	9,500.00
Surry.....	725	7250	10,500.00	6,300.00
Watauga.....	743		10,000.00	.....
Watauga.....	709		10,000.00	.....
Watauga.....	710	7100	22,000.00	10,000.00
Watauga.....	734	7340	13,250.00	13,250.00
Watauga.....	743		10,000.00	.....
Watauga.....	744	7390	14,800.00	9,000.00
Ashe.....	744	7390	3,000.00	1,800.00
Wilkes.....	653	7290	6,250.00	6,250.00
Yadkin.....	723		2,500.00	.....
Yadkin.....	705	7050	7,875.00	.....
Yadkin.....	705	7050	12,360.00	12,000.00
<i>Total</i>			\$ 264,170.00	\$ 112,080.00

*This was let in previous year, but is still uncompleted June 30, 1928.

SCHEDULE A-3—Continued

	Section Old	Number New	Authorized	Reserve for Uncompleted Betterments
<i>Eighth District:</i>				
Avery	822		\$ 25,000.00	\$
Avery	815	8190	3,750.00	2,695.00
Avery	821	8190	5,000.00	1,000.00
Avery	816	8180	25,000.00	17,520.00
Avery	821	8190	6,540.00	6,540.00
Avery	821	8190	10,000.00	10,000.00
Avery	821-B		3,256.00	.....
Avery	822		32,783.11	.....
Burke	812		9,000.00	.....
Burke	813		15,000.00	.....
Burke	812		5,568.00	.....
Henderson	912		9,858.52	.....
McDowell	810		12,954.41	.....
McDowell	831	8220	7,000.00	5,363.53
McDowell	824	8120	1,500.00	918.08
Mitchell	829		6,120.00	.....
Polk	826		5,076.00	.....
Rutherford	803		19,000.00	.....
Yancey	818		8,900.00	.....
<i>Total</i>			\$ 211,306.04	\$ 44,036.61
<i>Ninth District:</i>				
Cherokee	907	9070	\$ 8,030.00	\$ 8,030.00
Graham	907	9070	3,600.00	3,600.00
Haywood	Storage	Building	2,400.00	1,400.00
Haywood	925		6,000.00	.....
Haywood	902		10,000.00	.....
Macon	916-B		6,275.00	.....
Madison	919		3,720.00	.....
Madison	926		6,696.00	.....
Madison	926		6,456.80	.....
Madison	923		2,000.00	.....
Madison	919		5,400.00	.....
Madison	911	9110	15,000.00	9,500.00
Transylvania	928		5,000.00	.....
<i>Total</i>			\$ 80,577.80	\$ 22,530.00
<i>Total All Districts</i>			\$ 1,229,452.84 (To Ex. "B")	\$ 445,744.11 (To Ex. "A")
<i>Summary:</i>				
Spent during year (To Schedule B-4)			\$ 783,708.73	.....
Reserved for Completion			445,744.11	.....
Total Authorized (To Exhibit "B")			\$ 1,229,452.84	.....

EXHIBIT "B"

MAINTENANCE FUND

STATEMENT OF REVENUE AND EXPENSE

YEAR ENDED JUNE 30, 1928

Revenue:

Department of Revenue (Schedule B-1)	\$18,374,409.72
Net Profit—Pipe Plant (Schedule B-2)	17,256.45
Sundry	657.70
<i>Total Revenue</i>	<u>\$18,392,323.87</u>

Expense:

Administrative (Schedule B-3)	\$ 222,608.53
Maintenance (Schedule B-3)	193,944.23
Bond Interest (Schedule B-3)	4,720,847.84
Direct District Maintenance (Schedule B-4)	3,223,063.48
Betterments (Schedule A-3)	1,229,452.84
Employer's Liability Insurance	6,219.91
General Construction charges transferred to Maintenance Fund:	
General and Overhead	\$26,477.21
Experimental Road Work	23,514.19
Bond Sale Expense	22,273.42
Technical Supplies	16,594.73
Testing	6,237.62
Blue Printing	4,636.63
Office Furniture and Fixtures	450.00
	<u>100,183.80</u>
<i>Total Expense</i>	<u>9,696,320.63</u>
<i>Excess of Revenue Transferred to Construction Fund</i> (Exhibit "B" Part 1)	<u><u>\$ 8,696,003.24</u></u>

SCHEDULE B-1

MAINTENANCE FUND

STATEMENT OF REVENUE FROM DEPARTMENT OF REVENUE

YEAR ENDED JUNE 30, 1928

*Revenue:**From License Bureau—Department of Revenue:**Automobile Licenses:*

Gross Collections	\$ 9,391,651.84
Less: Refunds and Cancellations	38,035.80

<i>Net License Collections</i>	\$ 9,353,616.04
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Gasoline Tax:

Gross Collections	\$ 9,678,518.83
Less: Refunds and Cancellations	301,530.85

<i>Net Gasoline Tax Collections</i>	9,376,987.98
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Title Fees:

Gross Collections	\$ 212,505.97
Less: Refunds and Cancellations	402.50

<i>Net Title Fee Collections</i>	212,103.47
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<i>Total Net Collections</i>	\$18,942,707.49
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Deduct:

License Bureau Expenses	\$ 518,881.34
Payment on Revenue Building	47,227.25
License Bureau Bad Checks	1,247.68
1926-1927 Revenue Adjustment	941.50

	568,297.77
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<i>Net Revenue from Department of Revenue (To Exhibit "B")</i>	\$18,374,409.72
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SCHEDULE B-2

MAINTENANCE FUND

REINFORCED CONCRETE PIPE PLANT—MANUFACTURING AND
TRADING STATEMENT

FOR FISCAL YEAR ENDED JUNE 30, 1928

<i>Gross Sales</i>	\$	117,350.70	
Less: Outgoing Freight.....		23,171.82	
<i>Net Sales</i>			\$ 94,178.88
<i>Cost of Sales:</i>			
Inventory finished Product at beginning of year.....	\$	31,354.66	
Less: Defective Pipe charged to Manufacturing.....		655.02	
	\$	30,699.64	
<i>Manufacturing Expenses:</i>			
Raw Materials—			
Inventory at beginning of year.....	\$	6,426.66	
Purchases during year.....		34,974.01	
		\$41,400.67	
Less: Raw Materials sold.....		590.83	
		\$40,809.84	
Less: Inventory at end of year.....		4,187.62	
Consumed.....	\$36,622.22		
Labor.....	7,585.00		
Supplies.....	3,128.70		
Indirect: Supervision.....	3,215.58		
Repairs.....	790.81		
General Expense.....	2,139.43		
Plant Depreciation.....	6,000.00		
Defective pipe deducted from inventory at beginning.....		655.02	
		\$60,136.76	
Less: Defective pipe sold.....		536.25	
<i>Net Manufacturing Expense</i>			59,600.51
	\$	90,300.15	
Less: Inventory Finished product at end of year.....		13,377.72	
<i>Cost of Goods Sold</i>			76,922.43
<i>Net Profit for Year (To Exhibit "B")</i>	\$	17,256.45	

SCHEDULE B-3**MAINTENANCE FUND****STATEMENT OF ADMINISTRATIVE, MAINTENANCE AND BOND INTEREST EXPENSE**

YEAR ENDED JUNE 30, 1928

Administrative:

Office Salaries.....	\$ 118,541.18
Official Salaries and Expenses.....	44,625.91
Office Expense.....	34,544.18
Highway Building Expense.....	12,046.28
Office Supplies.....	5,403.06
Traveling and Incidental.....	3,147.43
Furniture and Fixtures.....	4,200.49
Investments—Charged off.....	100.00

Total Administrative Expenses (To Exhibit "B").....\$ 222,608.53

Maintenance:

Equipment.....	\$ 99,307.18
Private Car mileage.....	63,824.13
General—Unallocated.....	17,495.88
Material.....	9,408.37
Road Oil Department.....	3,570.01
New Garage.....	338.66

Total Maintenance Expense (To Exhibit "B").....\$ 193,944.23

Bond Interest:

Interest on S. H. Bonds.....	\$ 4,539,620.00
Interest on \$10,000,000 Notes.....	274,995.79
Interest on Chowan Bridge Notes.....	27,661.80

\$ 4,842,277.59

Less:

Accrued interest on Bond Sales.....	\$83,157.55
Refund Chowan Bridge Fund.....	38,272.20
	121,429.75

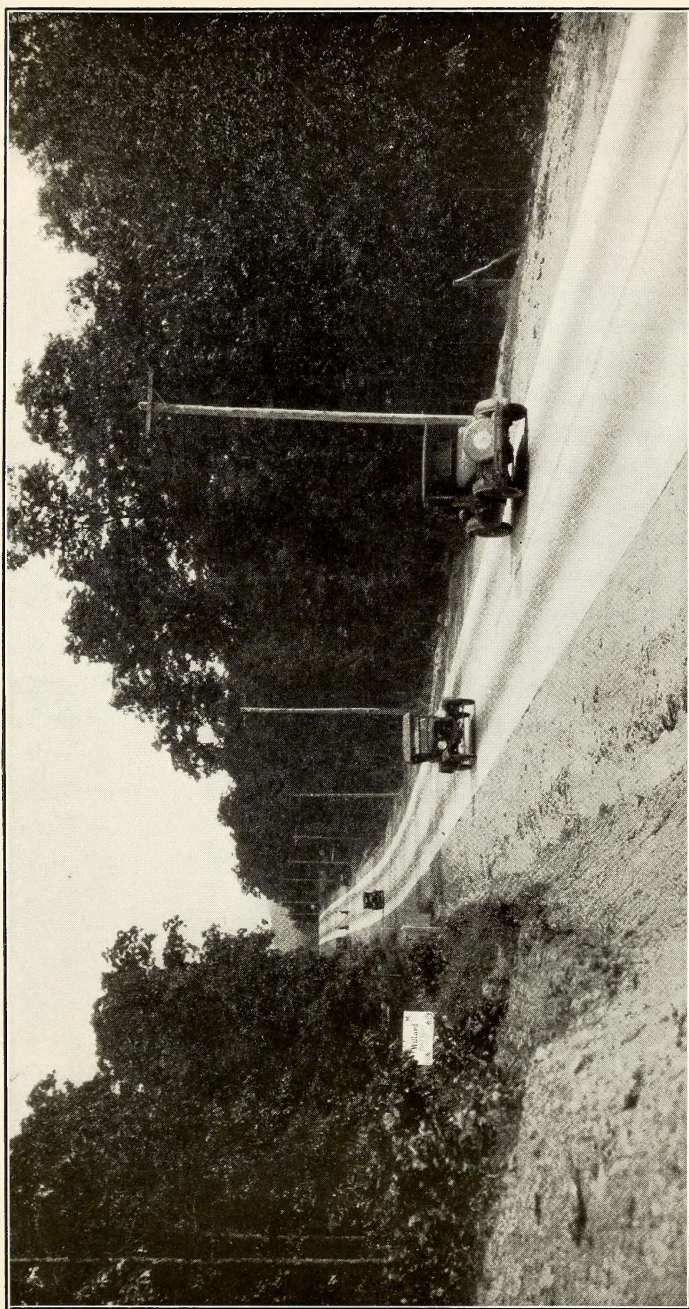
Total Bond Interest Expense (To Exhibit "B").....\$ 4,720,847.84

SCHEDULE B-4
MAINTENANCE FUND
STATEMENT OF DISTRICT MAINTENANCE COSTS
YEAR ENDED JUNE 30, 1928

District	Roads		Labor Expense	Bridges		Through Detours	Claim Adjustments	Maintenance Equipment		
	Labor	Material		Labor	Materials			Supplies	Expense	Rentals
1	\$ 190,143.69	\$ 68,701.83	\$ 876.93	\$ 28,900.44	\$ 19,572.53	\$ -----	\$ 920.15	\$ 16,665.24	\$ 3,296.48	\$ 120,965.00
2	120,494.70	11,077.88	595.00	23,553.72	39,671.58	1,718.50	-----	4,264.18	847.38	70,775.00
3	132,818.74	41,236.25	279.85	7,307.01	7,463.69	2,953.45	-----	3,742.39	611.59	94,763.00
4	193,555.17	84,526.56	5,036.74	5,277.80	526.34	9,576.56	186.00	9,600.12	3,216.71	102,125.00
5	164,244.04	136,081.29	135.58	5,423.01	8,104.46	-----	76.55	10,651.77	3,591.79	135,080.00
6	136,271.03	21,930.29	166.45	4,344.93	5,348.07	872.65	17.60	4,087.28	2,241.68	89,095.00
7	246,870.72	74,335.99	431.00	16,991.20	18,302.00	3,182.05	188.30	9,682.48	2,194.47	111,050.00
8	193,877.17	149,446.53	2,941.87	26,959.81	26,613.02	3,035.49	128.90	10,159.92	2,294.70	102,551.43
9	198,190.72	61,949.85	394.70	13,105.93	18,823.92	16,118.11	112.30	6,594.95	1,714.16	87,040.00
<i>Totals</i>	<i>\$1,566,405.98</i>	<i>\$ 649,286.47</i>	<i>\$ 10,858.12</i>	<i>\$ 131,863.85</i>	<i>\$ 144,425.61</i>	<i>\$ 37,456.81</i>	<i>\$ 1,629.80</i>	<i>\$ 75,428.33</i>	<i>\$ 20,008.96</i>	<i>\$ 913,444.43</i>

SCHEDULE B-4—Continued

District	Gas and Oil	Sundry Repairs and Supplies	Marking	Supervision	Total	Deduct Betterment Expenditures (Schedule A-3)	Deduct Reserve for Uncompleted Betterments 1926-1927 (Schedule B-5)	Ordinary District Maintenance
1-----	\$ 63,042.93	\$ 6,400.11	\$ 13,596.85	\$ 18,992.77	\$ 552,164.95	\$ 62,784.00	\$ 25,342.50	\$ 464,038.45
2-----	21,901.73	1,234.61	6,989.94	13,925.51	317,049.73	28,237.00	1,720.00	287,092.73
3-----	33,506.89	4,948.13	10,562.57	12,048.58	352,242.14	54,885.00	14,500.00	282,857.14
4-----	35,858.32	1,947.89	4,902.40	13,240.89	469,576.50	138,630.00	21,600.00	309,346.50
5-----	47,740.42	3,449.18	27,321.24	14,215.37	556,114.70	100,015.50	102,250.00	353,849.20
6-----	35,248.04	2,546.34	35,458.06	13,318.53	340,945.95	21,750.00	None	319,195.95
7-----	34,630.86	5,553.93	16,929.08	17,390.66	557,712.74	152,090.00	18,710.00	386,012.74
8-----	35,075.38	5,198.86	18,572.58	15,195.41	592,051.07	167,269.43	7,466.83	417,314.81
9-----	29,647.15	2,635.42	21,651.21	10,885.34	468,863.76	58,047.80	8,360.00	402,455.96
<i>Total</i> -----	\$ 336,651.72	\$ 34,004.47	\$ 155,983.93	\$ 129,213.06	\$ 4,206,721.54	\$ 783,708.73	\$ 199,949.33	\$ 3,225,063.48 (To Exhibit "B")



PLAIN CONCRETE HIGHWAY—ROUTE 10

EXHIBIT "C"

MAINTENANCE FUND
MOTOR EQUIPMENT DEPARTMENT
CONDENSED STATEMENT OF OPERATIONS
FOR YEAR ENDED JUNE 30, 1928

REVENUE

<i>Departmental Income:</i>	
Rent of Equipment.....	\$ 1,189,133.00
<i>Other Income:</i>	
Sale of old materials and parts.....	\$ 16,927.78
Sundry Revenue.....	111.92
	17,039.70
<i>Total Revenue</i>	\$ 1,206,172.70

EXPENSES

<i>Capital Assets Charged as Expenses:</i>	
Equipment Purchased and Assembled.....	\$ 193,190.52
<i>Operating Expenses:</i>	
Direct—Equipment Expense.....	\$ 548,244.60
Indirect—General Expenses.....	210,366.14
	758,610.74
	\$ 951,801.26
Less: Cash Discount earned.....	5,406.14
<i>Total Expenses</i>	946,395.12
<i>Net Profit from Operations (Added to Reserve for Inventory Adjustment)</i>	\$ 259,777.58

EXHIBIT "A"

CHOWAN BRIDGE FUND

BALANCE SHEET

JUNE 30, 1928

ASSETS

Cash:
 On deposit with State Treasurer.....\$ 12,429.46

LIABILITIES

Fund Surplus (Exhibit "B").....\$ 12,429.46

EXHIBIT "B"

CHOWAN BRIDGE FUND

STATEMENT OF REVENUE AND EXPENSE

FOR YEAR ENDED JUNE 30, 1928

Revenue:

Tolls.....\$ 50,054.42
 Interest on Deposits.....647.24

Total Revenue.....\$ 50,701.66

Expenses:

Bond Interest.....\$ 38,272.20

Excess of Revenue Over Expenses (To Exhibit "A").....\$ 12,429.46

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